807 Phil. 425

FIRST DIVISION

[G.R. No. 193069, March 15, 2017]

NSC HOLDINGS (PHILIPPINES), INC., PETITIONER, V. TRUST INTERNATIONAL PAPER CORPORATION (TIPCO) AND ATTY. MONICO JACOB, RESPONDENTS.

D E C I S I O N

SERENO, C.J.:

This is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court, assailing the Decision[1] and the Resolution[2] of the Court of Appeals (CA). The CA upheld the validity of the assailed Omnibus Order[3] issued by the Regional Trial Court (RTC), Branch 42, City of San Fernando, Pampanga. The RTC denied the motion of NSC Holdings (Phils.) Inc. (NSC) to revise the approved rehabilitation plan.

THE ANTECEDENT FACTS

Trust International Paper Corporation (TIPCO) is a pulp and paper manufacturing company organized and existing under the laws of the Republic of the Philippines.[4] On 29 July 2005, TIPCO filed a "Petition for Corporate Rehabilitation with Prayer for Suspension of Payments"[5] before the RTC.

The trial court subsequently issued a Stay Order directing, among others, the appointment of respondent Atty. Monico Jacob as the rehabilitation receiver (Receiver).[6]

NSC filed its "Comment with Motion,"[7]alleging that certain receivables, as well as the authority to collect payments for these receivables, were being held by TIPCO for and on behalf of NSC as its agent. This was pursuant to a Trade Receivables Purchase and Sale Agreement (TRPSA)[8] entered into by both parties.[9]

NSC claimed that under the TRPSA, it entered into a Certificate of Assignment with TIPCO. In that agreement, the latter sold and assigned receivables to NSC in the total amount of P155,380,590.[10] There was supposedly a stipulation therein designating TIPCO as servicing agent with the obligation to enforce the rights and interests of NSC over the purchased receivables, as well as to hold the collections in trust for the latter.[11]

In light of the TRPSA, NSC claimed that it was a trustor, not a creditor, of TIPCO. As such, it moved that TIPCO be directed to segregate the receivables held by the latter on behalf of NSC. These receivables would thereby be excluded from TIPCO's list of assets and payables that would be subject to the rehabilitation plan. NSC likewise prayed that TIPCO be ordered to directly remit any collection or payment to the former as soon as practicable.[12]

During the initial hearing, the Court summarily heard NSC's contentions[13] as well as TIPCO's counter-argument that the true agreement was really one of a loan.[14] Afterwards, the RTC issued an Order[15] holding that both parties had "agreed to submit the issue that receivables transferred to NSC should not be included as TIPCO's assets for the resolution of the Court-appointed Rehabilitation Receiver, subject to the Court's approval."[16]

On 20 January 2006, the Receiver submitted to the RTC his "Evaluation and Recommendation Report" (Report) which addressed NSC's contentions.[17] He stated therein that after a review of the documents, he found that NSC was an unsecured creditor,[18] and that the receivables were covered by the rehabilitation plan.[19]

First Order

Through an Order[20] dated 31 January 2006 (First Order), the RTC approved TIPCO's proposed rehabilitation plan as amended and modified by the "Evaluation and Recommendation Report."[21] NSC received a copy of the Order on 9 February 2006.

On 2 February 2006, unaware that the RTC had already approved the proposed rehabilitation plan in the First Order, NSC filed a Motion[22] praying for the suspension of the approval of the plan. In this Motion, it claimed that it had called the Receiver's attention to the fact that the Report lacked legal and factual basis insofar as its claim was concerned. NSC alleged that, as a result, the Receiver manifested at the hearing on 23 January 2006 that he was amenable to a further discussion of its claim and subsequently submitting his report thereon to the trial court.[23]

Second Order

The RTC then issued an Omnibus Order[24] dated 21 February 2006 (Second Order), which treated NSC's prior Motion as a motion for reconsideration. Consequently, it denied the Motion for being a prohibited pleading. Nevertheless, it directed the Receiver to comment on the nature of NSC's claim.[25]

Meanwhile, prior to its receipt of the Second Order but after it had finally received a copy of the First Order, NSC filed another Motion.[26] It stated therein that it had received the First Order and held a meeting with the Receiver. It then reiterated its contentions and asked that the Receiver be directed to submit its report. By that submission, NSC sought the resolution of its claims and the revision of the approved rehabilitation plan.

The Receiver filed a "Manifestation"[27] stating that he had a meeting with the parties' respective counsels on 7 February 2006. In that meeting, the parties insisted on their respective positions with respect to the nature of TIPCO's obligation to NSC. Both counsels exhibited pieces of documentary evidence to support their respective allegations.

The Receiver rendered the opinion that the issue raised in that meeting needed to be litigated separately, as to make a recommendation thereon was not within his competence. He also said that the approval of the rehabilitation plan need not be affected, particularly since the plan also called for the payment of TIPCO's obligation to NSC.[28]

Third Order

The RTC agreed with the Receiver's recommendations in its assailed Omnibus Order[29] dated 9 March 2006 (Third Order), in which it held as follows:

> The court finds the Receiver's position, namely, that the issues involved would require a full blown litigation, justified. Considering the seriousness of the issues and the legal implications of a resolution thereon, the Court rules that it is not within the competence of a Rehabilitation Receiver to adjudicate and resolve the said issues.
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> Considering that the rehabilitation plan calls for the payment of the obligations of petitioner to NSC, the implementation of the rehabilitation plan shall not be suspended because of the pendency of this issue. xxx While the parties may decide to elevate the matter for determination in an appropriate court, the rehabilitation plan shall continue to be implemented without prejudice to a final and executory decision on such issue.[30]

Aggrieved, petitioner NSC appealed the Third Order before the CA. The former argued that there was no legal or jurisprudential basis for the RTC's ruling that the Receiver was not competent to determine whether the receivables should be excluded from TIPCO's assets. Petitioner further alleged that it was not a creditor of TIPCO, since the latter merely held the purchased receivables in trust as evidence by the TRPSA.[31]

The CA dismissed NSC's appeal and affirmed the Third Order *in toto*. According to the appellate court, petitioner essentially moved to amend the approved rehabilitation plan in the latter's petition. Hence, petitioner should have appealed the First, and not the Third Order of the RTC, as it was the First Order that had approved the rehabilitation plan.[32] The failure to appeal the First Order supposedly rendered it final and executory and effectively prevented NSC from challenging the recommendations made by the Receiver.[33]

For the CA, NSC could no longer insist that the receivables be excluded from TIPCO's assets. The appellate court held that this matter had already been addressed and resolved by the RTC when the latter approved the rehabilitation plan in its First Order.[34]

Upon the denial of its Motion for Reconsideration,[35] NSC is now assailing the CA's ruling before this Court by raising the following arguments: (a) the CA erred in holding that the NSC should have appealed the First Order; (b) the CA erred in affirming the RTC's finding that the matters presented by NSC were beyond the scope of the rehabilitation receiver's authority, and; (c) the CA erred in affirming the inclusion of NSC as a creditor of TIPCO in the approved rehabilitation plan.

ISSUE

Given the recital of facts, it is apparent that petitioner's Motion subsequent to the First Order was actually a move to modify the approved rehabilitation plan. Notably, the Motion of NSC is based on the same assertions it presented to the RTC and the Receiver at the start of the rehabilitation proceedings.

Therefore, the threshold issue to be resolved is whether or not petitioner could still raise the issue before the CA of its inclusion as a creditor in the approved rehabilitation plan, considering that the RTC had already resolved this issue in the First Order.

THE COURT'S RULING

We deny the petition.

The issues raised by petitioner center on its inclusion as a creditor in the approved rehabilitation plan. We agree with the CA ruling that it was the First, not the Third Order, that should have been appealed by NSC; and that the latter's failure to appeal the First Order barred it from insisting that it be excluded from the rehabilitation plan as a creditor.

For reasons as follows, the First Order is valid, final, and executory.

NSC is barred from raising before the CA the issue of its inclusion as a creditor m the approved rehabilitation plan.

Certain fundamental principles must be considered. First, a court order is final in character if it puts an end to the particular matter resolved or definitely settles the matter disposed therein, such that no further questions can come before the court except the execution of that order.[36]

Second, it is an established rule that the perfection of an appeal within the period and in the manner prescribed by law is jurisdictional. Noncompliance with such legal requirements is fatal and has the effect of rendering the judgment final and executory.[37] As explained by this Court in *Pascual v. Robles*:[38]

> The failure to perfect an appeal as required by the rules has the effect of defeating the right to appeal of a party and precluding the appellate court from acquiring jurisdiction over the case. The right to appeal is not a natural right nor a part of due process; it is merely a statutory privilege, and may be exercised only in the manner and in accordance with the provisions of the law. The party who seeks to avail of the same must comply with the requirement of the rules. Failing to do so, the right to appeal is lost. The reason for rules of this nature is because the dispatch of business by courts would be impossible, and intolerable delays would result, without rules governing practice. Public policy and sound practice demand that judgments of courts should become final and irrevocable at some definite date fixed by law. Such rules are a necessary incident to the proper, efficient and orderly discharge of judicial functions. Thus, we have held that the failure to perfect an appeal within the prescribed reglementary period is not a mere technicality, but jurisdictional. Just as a losing party has the privilege to file an appeal within the prescribed period, so does the winner also have the correlative right to enjoy the