

SECOND DIVISION

[G.R. No. 138993, June 27, 2003]

**PHILIPPINE VETERANS BANK, PETITIONER, VS. HON. SANTIAGO
G. ESTRELLA & SOLID HOMES, INC., RESPONDENTS.**

DECISION

CALLEJO, SR., J.:

Before this Court is a petition for *certiorari* under Rule 65 of the Rules of Court, as amended, for the nullification of the Order, dated May 6, 1999, of the Regional Trial Court of Pasig City, Branch 68 in Civil Case No. 62560 clarifying and declaring that the rate of interest of the amount of P28,937,965.65, adjudged by the said court in favor of the petitioner Philippine Veterans Bank under its Resolution (Summary Judgment) dated February 22, 1994,^[1] was 8% per annum instead of 18% as appearing in the decretal portion of the original copy of the said resolution appended to the original records of the case.

The case at bar stemmed from the following antecedents:

On November 5, 1992, Solid Homes, Inc. (SHI) filed a complaint for specific performance, sum of money and damages against Philippine Veterans Bank (PVB) with the Regional Trial Court of Pasig City, raffled to Branch 68 thereof and docketed as Civil Case No. 62560. SHI alleged, *inter alia*, that while it had remitted to PVB the amount of P28,937,965.65 in compliance with their Compromise Agreement executed on April 3, 1992, PVB reneged on its obligations thereunder. SHI prayed that after due proceedings judgment be rendered in its favor, as follows:

P R A Y E R

WHEREFORE, it is respectfully prayed of this Honorable Court that, after trial, judgment be rendered:

1. Ordering the Defendant to release to the Plaintiff all the Condominium Certificates of Title (CCT'S) covering the disputed properties and declaring that the next installment shall be due only after said release.
2. Declaring the Plaintiff to have fully and completely complied with the terms of the Compromise Agreement.
3. Ordering the Defendant to pay the Plaintiff.
 - a. The amount not less than One Million Pesos (P1,000,000.00) as actual damages;
 - b. The amount of not less than One Million Pesos

(P1,000,000.00) as damage to its goodwill and business reputation;

c. The amount of not less than One Million (P1,000,000.00) Pesos as exemplary damages;

d. The amount of Two Hundred Fifty Thousand Pesos (P250,000.00) as and for attorney's fees; and

f. The Costs of suit.

Plaintiff prays for such other and further reliefs as this Honorable Court may deem just and equitable in the premises.^[2]

In its answer to the complaint, PVB prayed that the Compromise Agreement be rescinded and that SHI be ordered to receive the amount of P28,937,965.65 it had previously remitted to PVB and to pay actual and compensatory damages.^[3] SHI filed a motion for summary judgment. For its part, PVB filed a motion to dismiss the case. On February 22, 1994, the trial court issued a resolution denying PVB's motion to dismiss and granting SHI's motion for summary judgment. The decretal portion of the original copy of the resolution appended to the original record reads:

WHEREFORE, premises considered, and finding the "Motion for Summary Judgment" to be tenable, the Court hereby GRANTS the same. Judgment is hereby rendered directing the defendant to release and deliver to plaintiff 2,850 square meters of condominium units which is equivalent of the payment effected by plaintiff to defendant in the amount of P28,937,965.95 (sic) computed as P10,871.58 per square meter with legal interest thereon.

The plaintiff is however directed to pay the remaining balance of P28,937,965.95 (sic) in six (6) equal quarterly installments, the first installment shall start WITHIN 30 DAYS from finality of this decision/resolution and the succeeding installments to be paid within the first five (5) days of the month of the succeeding quarter thereafter plus *18% interest thereon per annum from this date.*

SO ORDERED.^[4]

However, in the copies of the resolution served on the parties, the rate of interest on the amount of P28,937,965.65 was pegged at 8%. PVB filed a motion for the reconsideration of the said resolution but the trial court issued an order on July 27, 1994, denying the said motion. Instead of appealing to the Court of Appeals (CA), PVB filed a petition for certiorari with this Court docketed as G.R. No. 115847 for the nullification of the resolution of the trial court. In its petition, PVB alleged, *inter alia*, that the trial court committed grave abuse of discretion when it pegged the rate of interest on the amount of P28,937,965.65 at 8% per annum.^[5] The Court referred the petition to the CA for resolution. On March 11, 1996, the CA promulgated its decision dismissing the petition. PVB then filed a petition with this Court for the reversal of the decision of the CA, but this Court, in the Resolution of August 28, 1996, denied the said petition on the ground that it was filed out of time. The aforesaid resolution became final and executory.

On March 31, 1999, SHI filed a Motion for Clarification; for Entry; and for Issuance of Notice of Judgment. SHI alleged, *inter alia*, in its motion that:

(b) That the text of the RTC Resolution in the original records in this case, had been altered by adding in handwriting the figure "1" preceding the figure "8%", making the interest rate therein appear to be "18%" instead of "8%", manifestly surreptitiously, considering that said alteration was made after the copies had been released to the parties and without any reason on record at all for such alteration.^[6]

PVB filed its opposition thereto alleging, *inter alia*, that:

2. The interest of 18% should prevail over the 8% interest posited by the movant, not only because the records of this case elevated on appeal actually sustain this rate but also because, of which is more paramount, the rate of 18% conforms to the true intention and agreement of the parties:

3. Plaintiff should not be permitted to understate its obligations with PVB by hiding behind the alleged alteration of the figure in the rate of interest fixed by the Honorable Court;^[7]

On May 6, 1999, the trial court issued the assailed order granting the motion of SHI, the pertinent portion of which reads:

WHEREFORE, in view of the foregoing, the Court resolves to:

(1) CLARIFY and DECLARE that the interest rate for the payment of the judgment debt of P28,937,965.65 by plaintiff to defendant is pegged *at 8% per annum*;

(2) DIRECT the Entry of Judgment into the Book of Entries; and

(3) DIRECT the Branch Clerk of Court to issue the corresponding NOTICE to both parties that the records have been returned to this Court.

SO ORDERED.^[8]

PVB received a copy of the aforesaid order on May 7, 1999. On July 2, 1999, PVB filed the petition at bar contending that:

That Respondent Judge acted with grave abuse of discretion amounting to lack or excess of jurisdiction in ordering the fixing of the rate of interest over the judgment debt to only eight (8%) percent, when the papers, documents and pleadings before him fixed the interest rate to eighteen (18%) percent.^[9]

The petitioner avers that the 18% rate of interest as appearing in the original copy of the resolution of the trial court is correct, as it is prescribed in the Compromise Agreement of the parties. On the other hand, if the trial court fixed 8% per annum as the rate of interest on the outstanding balance of P28,937,965.65, then the said rate of interest is null and void. The assailed order of the trial court is clear proof of