

FIRST DIVISION

[G.R. No. 137980, November 15, 2000]

**TALA REALTY SERVICES CORP., PETITIONER, VS. BANCO
FILIPINO SAVINGS AND MORTGAGE BANK, RESPONDENT.**

R E S O L U T I O N

YNARES-SANTIAGO, J.:

Before us is respondent's Motion for Reconsideration of our Decision dated June 20, 2000.

Respondent argues that the complaint for ejectment below was not based on non-payment of rentals but on the alleged expiration of respondent's lease contract with petitioner and the former's refusal to accept and comply with the new rental rates and conditions. According to respondent, there was no allegation in the complaint of any failure on its part to pay any of the monthly rentals stipulated in the contract of lease and the same, not having been raised as an issue, should not have been passed upon by this Court.

The records, however, show that the issue of non-payment of rentals was, in fact, consistently raised from the Municipal Trial Court all the way to this Court. Indeed, petitioner's Position Paper before the Municipal Trial Court dedicates an entire portion to respondent's "Violation of Terms and Conditions", inclusive of its unpaid rentals. There, petitioner argued as follows -

"Assuming for the sake of argument that the original lease contract subsists, still the ground for ejectment of non-payment of rental holds. It should be borne in mind that since April, 1994, defendant has not paid plaintiff a single cent. If, according to defendant, the original lease contract subsists then, it should have continued to pay the amount of P20,500.00 per month stipulated thereon."^[1] (underscored in the original)

This allegation of non-payment of rentals was in petitioner's petition for review filed with the Court of Appeals,^[2] as well as in the instant petition for review^[3] before us.

Next, respondent assails the application of its security deposit of P1,020,000.00 to rentals for the period of August, 1985 to November, 1989 as erroneous, since the same period only covers 52 months, while the amount of P1,020,000.00 would only account for 49.76 months. A cursory study of Annexes "K" and "L" of the Affidavit of Elizabeth Palma,^[4] referred to in our Decision,^[5] readily reveals that the rentals due on the leased property for the period of August, 1985 to November, 1989 was