

SECOND DIVISION

[G.R. No. 103585, October 06, 1997]

**NATIONAL ELECTRIFICATION ADMINISTRATION, PETITIONER,
VS. COURT OF APPEALS, ERNESTO L. SULA, DEPUTY SHERIFF OF
RTC, BRANCH 98, CONSTRUCTION SERVICES OF AUSTRALIA-
PHILIPPINES, INC., AND ENGINEERING AND CONSTRUCTION
CORPORATION OF ASIA, RESPONDENTS.
D E C I S I O N**

TORRES, JR., J.:

On March 8, 1985, private respondent Construction Services of Australia-Philippines, Inc. (CONSAPHIL) filed a complaint before the Regional Trial Court of Quezon City, Branch 98, to collect a sum of money plus damages from private respondent Engineering and Construction Corporation of Asia (ECCO-ASIA) based on its Sub-Contract Work Agreement with the latter covering the portion of the contracted work of respondent ECCO-ASIA with Pangasinan Electric Cooperative, Inc. (PANELCO). It impleaded PANELCO and National Electrification Administration (NEA) on the ground that they were bound to pay the value of its accomplished work under the sub-Contract Work Agreement since PANELCO was allegedly "the ultimate beneficiary of the construction project" and since petitioner was allegedly "the manager and holder" of funds loaned by PANELCO from foreign sources and has in its possession the unreleased 10% retention money due to the respondent ECCO-ASIA "to guarantee payment of all claims against [respondent ECCO-ASIA]."

On August 22, 1986, the trial court issued a Writ of Preliminary Injunction enjoining petitioner from releasing the 10% retention money and other funds of respondent ECCO-ASIA in the amount of P1.2 million. In a Motion dated September 11, 1986, respondent CONSAPHIL moved that petitioner be ordered to deposit the P1.2 million with the Philippine National Bank, Philippine Heart Center for Asia but it was denied by the trial court in an order dated December 4, 1986. However, in an Order dated March 3, 1987, the trial court reconsidered its previous Order of December 4, 1986 and directed petitioner to deposit the sum of P1.2 million with the PNB, PHCA Branch. Thereafter, a request for Admission^[1] dated January 28, 1987 was filed by respondent CONSAPHIL requesting petitioner to admit or deny the following, among others:

- 1.) That the retained money belonging to the defendant ECCO-ASIA held by the defendant NEA amounts to P1,390,789.40;"

In a response to Request for Admission^[2] dated March 6, 1987, petitioner admitted the aforementioned statement.

In an order dated August 6, 1990, the trial court dismissed the complaint against PANELCO and the petitioner and at the same time required the latter to surrender to

the court the physical and legal custody of the P1.2 million deposit at PNB, PHCA branch to be placed under its name. In a Partial Motion for Reconsideration dated August 17, 1990, petitioner moved for the reconsideration of the preceding Order on the ground that the dismissal of the complaint against it automatically lifted the writ of preliminary injunction over its P1.2 million at PNB, PHCA branch, citing the ruling in *Golez vs. Leonidas*, 107 SCRA 187. However, on October 5, 1990, the trial court rendered judgment approving the compromise agreement between the remaining parties, respondent CONSAPHIL and ECCO-ASIA. On October 17, 1990, a writ of execution was issued against the P1.2 million deposit at PNB, PHCA branch. Thus, in a Motion to quash Writ of Execution dated October 24, 1990, petitioner NEA moved to quash the writ of execution against its P1.2 million deposit at PNB, PHCA branch, on the ground that the dismissal of the case against it automatically lifted the preliminary injunction issued thereunder and that there had been no judicial trial prior to the dismissal of the complaint against it determining that the P1.2 Million belongs to respondent ECCO-ASIA. Thereafter, respondent Sheriff executed against petitioner's million deposit. On December 3, 1991, petitioner filed a civil action for certiorari under rule 65 before respondent Court of Appeals which was dismissed in a decision dated January 14, 1992. Henceforth, the instant petition with four assignment of errors, to wit:

I. THE COURT OF APPEALS ERRED IN RULING THAT PETITIONER HAS ANY RIGHT OF APPEAL FROM THE ORDERS OF THE TRIAL COURT DATED AUGUST 6, 1990 AND MAY 29, 1990, AND NOT HAVING AVAILED OF THE SAME, PETITIONER IS PRECLUDED FROM RESORTING TO A SPECIAL CIVIL ACTION OF CERTIORARI FILED BEFORE IT.

II. THE COURT OF APPEALS ERRED IN RULING THAT THE DECISION OF THE TRIAL COURT DATED OCTOBER 5, 1991, A JUDGMENT BASED ON A COMPROMISE AGREEMENT BETWEEN RESPONDENTS CONSAPHIL AND ECCO-ASIA, HAS THE EFFECT OF RES JUDICATA AGAINST PETITIONER'S SPECIAL CIVIL ACTION OF CERTIORARI FILED BEFORE IT.

III. THE COURT OF APPEALS ERRED IN RULING THAT PETITIONER HAD ADMITTED IN THE PLEADINGS FILED BEFORE THE TRIAL COURT THAT THE P1.2 MILLION BELONGS TO RESPONDENT ECCO-ASIA.

IV. THE COURT OF APPEALS FAILED TO CONSIDER THAT THE TRIAL COURT HAD NO JURISDICTION IN PROCEEDING AGAINST PETITIONER'S P1.2 MILLION, THE PRELIMINARY INJUNCTION COVERING IT HAVING BEEN AUTOMATICALLY LIFTED BY PETITIONER'S DISMISSAL FROM THE CASE PURSUANT TO THE RULING OF *GOLEZ VS. LEONIDAS*, 107 SCRA 187.

The petition is bereft of merit.

As judiciously pointed out by the respondent Court of Appeals and we quote:

The order of August 6, 1990 ordering petitioner to surrender to the court the physical and legal custody of the P1.2 million and the order of May