



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated February 15, 2022 which reads as follows:

“G.R. No. 238713 (*Land Bank of the Philippines v. Alfonso Villegas and Sylvia Lemoncito, Ma. Cristina Villegas-Segura, Angelico Pio De Las Alas Villegas, Patricio A. Villegas, Jr., Maria Cecilia Villegas-Bael, Maria Teresa Villegas-Tulisiak and Imelda Villegas-Garrett*). — This is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court and filed pursuant to Section 60 of the Comprehensive Agrarian Reform Law (*CARL*) or Republic Act No. 6657. Petitioner Land Bank of the Philippines (*LBP*) seeks a reversal Decision² dated August 31, 2016 which granted payment of an additional amount of just compensation in favor of respondents Alfonso Villegas and Sylvia Lemoncito, Ma. Cristina Villegas-Segura, Angelico Pio De Las Alas Villegas, Patricio A. Villegas, Jr., Maria Cecilia Villegas-Bael, Maria Teresa Villegas-Tulisiak and Imelda Villegas-Garrett and the Resolution³ dated March 26, 2018 rendered by the Court of Appeals (*CA*) in CA-G.R. SP No. 08033.

The Antecedent Facts

The facts, as culled from the CA Decision, shows that the parcel of land in question (*subject property*) was originally registered under the names of respondents Patricio Villegas, Adolfo Villegas, and spouses Alfonso Villegas and Sylvia Lemoncito. Ma. Cristina Villegas-Segura purchased Adolfo Villegas’ share by virtue of a Deed

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¹ *Rollo*, pp. 3-23.

² Penned by Associate Justice Edward B. Contreras, with Associate Justices Edgardo L. Delos Santos (retired member of this Court) and Geraldine C. Fiel-Macaraig, concurring; *rollo*, pp. 30-41.

³ *Id.* at 45-47.

of Sale while Angelico Pio de las Alas Villegas, Patricio A. Villegas, Jr., Maria Cecilia Villegas-Bael, Maria Teresa Villegas-Tulisiak, and Imelda Villegas-Garrett are the heirs of Patricio Villegas. The subject property consists of 45.6038 hectares of crop land and 1.2789 hectares of access road.⁴

On August 1, 2000, Villegas *et al.* offered the subject property to the government through the Comprehensive Agrarian Reform Program (*CARP*). Consequently, the Department of Agrarian Reform (*DAR*) placed the property consisting of 46.8827 hectares under the compulsory acquisition scheme of the *CARP*.⁵

On January 23, 2001, representatives of *DAR*, the Municipal Agrarian Reform Office (*MARO*), the Barangay Agrarian Reform Council (*BARC*), and LBP conducted a field investigation.⁶

Then on July 31, 2002, LBP received the claim folder on the subject property and was tasked to compute its land value. The LBP valued the land at ₱8,638,094.08, following R.A. No. 6657, *DAR* AO No. 5 series of 1998, and the *DAR-LBP* Joint Memorandum Circular No. 15 Series of 1999. The computation is as follows:

Applicable Formula:

$$\text{Land Value (LV)} = (0.90 \text{ CNI} + 0.10 \text{ MVTD}) \ \&\text{(sic)} \ 2.00 \text{ MVTD}$$

Capitalized Net Income (CNI):

$$\begin{aligned} \text{Sugar/Cocal} &= \text{₱}205,853.70/\text{ha} \times 0.90 \\ &= \text{₱}185,268.33 \end{aligned}$$

Market Value / Tax Declaration (MVTD):

$$\begin{aligned} \text{Sugar/Cocal} &= \text{₱}26,880.97/\text{ha} \times 0.10 \\ &= \text{₱}2,688.10 \end{aligned}$$

$$\begin{aligned} \text{Access Road} &= \text{₱}26,024.96 / \text{ha} \times 2.00 \\ &= \text{₱}52,049.92 \end{aligned}$$

Computed Value / Hectare used:

$$\begin{aligned} \text{Sugar/Cocal} &= \text{₱}187,956.43/\text{ha} \\ \text{Access Road} &= \text{₱}52,049.92/\text{ha} \end{aligned}$$

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⁴ *Id.* at 30-31.

⁵ *Id.* at 31.

⁶ *Id.* at 6.

Land Value / Hectare used:

Sugar / Cocal = ₱187, 956.43 x 45.6038 has
= ₱8,571,527.44
Access Road = ₱52, 049.92 x 1.2789 has
= ₱66, 566.64

Amount Due to Landowner: ₱8,638,094.08⁷

On December 23, 2002, Villegas *et al.* rejected the said amount as computed by the LBP.⁸

On January 3, 2003, the Provincial Agrarian Reform Office (*PARO*) sent an advisory to the Provincial Agrarian Reform Adjudication Department (*PARAD*) recommending that a summary administrative proceeding be conducted on the subject property.

On January 28, 2003, LBP deposited ₱8,638,094.08 in the names of Villegas *et al.* but this was rejected by the latter. Thus, an administrative proceeding for just compensation was conducted by the Department of Agrarian Reform Adjudication Board (*DARAB*).⁹

On February 26, 2003, title over the subject property was transferred to the Republic under TCT No. T-2610.¹⁰ On even date, the Certificate of Land Ownership Award (*CLOA*) No. 00114192 was issued in favor of the farmer-beneficiaries.¹¹

On February 19, 2004, Villegas *et al.* filed their Position Paper averring that in August 2000, they voluntarily offered to sell the subject property to DAR at an offered price of ₱685,000.00/ha or approximately ₱700,000.00/ha when grossed up to the year 2001. They argued that LBP valuation could not be considered just compensation since the computations were based on incorrect data, and that LBP's initial valuation was based on industry data instead of specific production data duly certified by the Sugar Regulatory Administration (*SRA*). Based on this, Villegas *et al.* provided their own computations as follows:

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⁷ *Id.* at 31-32.

⁸ *Id.* at 32.

⁹ *Id.*

¹⁰ *Id.* at 6.

¹¹ *Id.*

Sugar:

$$\begin{aligned} \text{AGP} &= 180.51 \text{ kg/ha} \\ \text{SP} &= \text{P}849.04 \text{ kg} \\ \text{CNI} &= \frac{(180.51 \text{ kg/ha} \times \text{Php } 849.04 \text{ LKG})}{12\%} \\ &= \text{P}306,520.00/\text{ha} \end{aligned}$$

Molasses:

$$\begin{aligned} \text{AGP} &= 3.535 \text{ tons/ha} (180.51 / 1.91 \times 38/1,000) \\ \text{SP} &= \text{P}3,088.33 / \text{ton} \\ \text{CNI} &= \frac{(3.535 \text{ tons/ha} \times \text{P}3,088.33/\text{ton} \times 67\%)}{12\%} \\ &= \text{P}60,954.00/\text{ha} \end{aligned}$$

Sugar and Molasses:

$$\begin{aligned} &= \text{P}306,520.00/\text{ha} + \text{P}60,954./\text{ha} \\ &= \text{P}367,474.00 \text{ ha} \end{aligned}$$

Land Value (LV):

$$\begin{aligned} \text{LV} &= (\text{CNI} \times 0.90) + (\text{MV} \times 0.10) \\ &= (\text{P}367,474.00 / \text{ha} \times 0.90) + (\text{P}26,880.97 \times 0.10) \\ &= \text{P}33,414.00 / \text{HA} \times 46.8827 \text{ has} \\ &= \text{P}15,631,348.00^{12} \end{aligned}$$

On October 13, 2004, LBP filed its Position Paper alleging that the valuation of $\text{P}8,638,094.08$ was the result of the CARP operational activities it conducted with DAR, and that the data it used considered the relevant factors gathered during the ocular inspections conducted on January 23, 2001 and August 27, 2002.¹³

On September 19, 2011, the DARAB rendered a Decision in favor of Villegas *et al.* as follows:

WHEREFORE, premises considered, judgment is hereby rendered fixing the just compensation of the 46.8827 hectares CARP acquired landholding at FIFTEEN MILLION SIX HUNDRED THIRTY[-]ONE THOUSAND THREE HUNDRED FORTY EIGHT (Php 15,631,340.00) (sic) plus the corresponding interest as provided for by law.

The Land Bank of the Philippines is hereby ordered to promptly pay Alfonso Villegas *et al.*, the said amount in accordance with R.A. No. 6657 and pertinent rules and regulations.

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¹² *Id.* at 33.

¹³ *Id.*

The summary administrative proceedings for the preliminary determination of just compensation of the subject landholding is now declared CLOSED and TERMINATED.¹⁴

The DARAB rendered its judgment fixing just compensation at ₱15,631,348.00 plus interest. Consequently, LBP filed a Motion for Reconsideration, which was denied on March 10, 2012. Thus, the case was elevated to the RTC.¹⁵

The RTC Ruling

The RTC, acting as a Special Agrarian Court (SAC), issued a Decision on August 29, 2013 determining the just compensation to be valued at Twenty-One Million Six Hundred Thirty Four Thousand Seven Hundred Eighty-Six Pesos And Nineteen Centavos (₱21,634,786.19) and awarded legal interest of 12% per annum on the difference of Twelve Million Nine Hundred Ninety Six Thousand Six Hundred Ninety Two Pesos and Eleven Centavos (₱12, 996, 692.11) to be reckoned from November 18, 2002 until the amount is fully paid by the LBP. The SAC also awarded Commissioner's fees in the amount of forty thousand pesos (₱40,000.00), and costs of suit.¹⁶

LBP filed a motion for reconsideration, which was denied in an order dated September 30, 2013.

The CA Ruling

On November 11, 2013, LBP filed its Petition for Review¹⁷ under Rule 42 with the CA.

In its Decision¹⁸, the CA partially granted LBP's petition, holding that future earnings should have been excluded in the computation. Thus, excluding potential earnings for the years 2002 to 2011, and modifying the formula to $LV = (0.90 \text{ CNI} + 0.10 \text{ MV}) + 2\text{MV}$, the CA arrived at the following just compensation:

$$\begin{aligned} LV &= (0.90\text{CNI} + 0.10\text{MV}) \\ &= (0.90) (367, 474..00) + (0.10)(26,880.97) \\ &= (\text{₱}333,414.70/\text{ha})(45.6038 \text{ hectares}) \\ &= \text{₱}15, 204, 977.30 \text{ (sugar/coco land)} \end{aligned}$$

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¹⁴ *Id.* at 7.

¹⁵ *Id.* at 33.

¹⁶ *Id.* at 7.

¹⁷ *Id.* at 3-23.

¹⁸ *Id.* at 30-41.

$$\begin{aligned} \text{LV} &= \text{MV} \\ &= 2(26,024.96) \\ &= (\text{P}52, 049.92/ \text{ha})(1.2789 \text{ hectares}) \\ &= \text{P}66, 566.64 \text{ (access road)} \end{aligned}$$

$$\begin{aligned} \text{LV} &= \text{P}15, 204, 977.30 + \text{P} 66, 566.64 \\ &= \text{P}15, 271, 543.94 \end{aligned}$$

The CA likewise held that LBP is liable to pay 6% legal interest on the balance for its delay in payment, regardless of LBP's deposit of ₱ 8,638,094.08 on January 28, 2003. It ruled, however, that LBP is not liable to pay the cost of suit, citing Rule 142, Section 1 of the Rules of Court. Finally, while the body of the decision stated that [the CA has] no reason to deviate from the commissioner's fees as determined by the SAC, it nevertheless reversed the same,¹⁹ in its dispositive portion, as follows:

WHEREFORE, the petition is PARTIALLY GRANTED. The Decision dated August 29, 2013, awarding Respondents just compensation in the amount of ₱12, 996, 692.11, and ordering LBP to pay the cost of suit and commissioners' fees is REVERSED and SET ASIDE.

Consequently, LBP is ORDERED to pay Respondents the amount of ₱6,633,449.86, the balance of the just compensation We pegged at ₱15, 271, 543.94, subject to interest at the rate of 6% per annum from February 26, 2003 until fully paid.

SO ORDERED.²⁰

On October 28, 2016, the LBP filed its Motion for Partial Reconsideration,²¹ which was denied by the CA. Hence, this recourse.

Issues

I

Whether the CA erred in affirming the valuation as computed by the respondents allegedly based on evidence presented by the latter;

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¹⁹ Despite the body of the CA Decision indicating its intent to affirm the grant of commissioner's fees, the dispositive portion which states otherwise is controlling on the matter. It is a settled rule that "the operative part in every decision is the dispositive portion or the *fallo*, and where there is conflict between the *fallo* and the body of the decision, the *fallo* controls. This rule rests on the theory that the *fallo* is the final order while the opinion in the body is merely a statement, ordering nothing." See, *Florentino v. Rivera, et. al*, 515 Phil. 494, 501-502 (2006). (Citation omitted)

²⁰ *Rollo*, p. 41.

²¹ *Id.* at 45-47.

II

Whether the honorable CA erred in holding the LBP of the liable to pay 6% interest on the balance of the just compensation allegedly due to the respondents without legal basis.

Our Ruling

The Court partially grants the petition.

The Valuation by the CA is affirmed

Petitioner asserts that the CA erred in upholding the valuation of the Respondents which used specific production data certified by the Sugar Regulatory Administration (SRA) instead of the industry data on AGP of sugar and molasses from the same SRA. They state that the specific production data from the landowner, such as a Certification from the SRA-BAIS URSUMCO Mill District dated September 26, 2003, was not validated from a statement of net income of the landowner, contrary to Joint Memorandum Circular (JMC) No. 15, series of 1999.²²

This contention is unmeritorious.

Following a reading of the said argument, it would appear that petitioner is asking the Court to evaluate the sufficiency of evidence presented by respondents before the DARAB. This, We cannot do.

In petitions for review on *certiorari* such as the instant case, it is basic that only questions of law may be brought by the parties and passed upon this Court. Jurisprudence holds that findings of facts of the trial court, particularly when affirmed by the Court of Appeals, are binding upon this Court.²³ Case law instructs:

Well-entrenched is the general rule that the jurisdiction of this Court in cases brought before it from Court of Appeals is limited to reviewing or revising errors of law; findings of fact of the latter are conclusive for it is not the function of this Court to Analyze or weigh such evidence all over again.²⁴

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²² *Id.* at 7.

²³ *Castillo v. Court of Appeals*, 329 Phil. 150, 152 (1996).

²⁴ *Pantranco North Express, Inc. v. Court of Appeals*, 296 Phil. 335, 347 (1993).

It is only in exceptional cases where this Court may review findings of the fact of the Court of Appeals. It is elementary that in petitions for review under Rule 45, this Court only passes upon questions of law.²⁵

To be sure, there are well-settled exceptions to this rule. Jurisprudence cites certain exceptions, such as: (1) where the findings of fact of the Court of Appeals are at variance with the trial court,²⁶ (2) when said findings by the lower court are not supported by evidence on record or the judgment is based on a misapprehension of facts,²⁷ (3) when the conclusion is a finding grounded entirely on speculation, surmises or conjectures,²⁸ (4) when the inference made is manifestly absurd, mistaken or impossible,²⁹ (5) when there is grave abuse of discretion in the appreciation of facts,³⁰ (6) when the findings of fact are conflicting,³¹ and (7) when the CA, in making its findings, went beyond the issues of the case and the same are contrary to the admissions of both appellant and appellee.³²

After a careful study of the instant case, We find that none of the above exceptions justify the re-evaluation of the findings of fact made by the DARAB as affirmed by the RTC and the CA. A brief discussion of the CA's decision will illustrate that it is well founded.

The applicable DAR regulation in the present controversy is DAR Administrative Order No. 5 Series of 1998 (*AO No. 5*), prescribes the valuation of lands subject of acquisition, whether under voluntary offer to sell (*VOS*) or compulsory acquisition (*CA*), depending on the factors that are present, relevant, and applicable. It provides:

- A. There shall be one basic formula for the valuation of lands covered VOS or CA:

$$LV = (CNI \times 0.6) + (CS \times 0.3) + (MV \times 0.1)$$

Where:

LV = Land Value

CNI = Capitalized Net Income

CS = Comparable Sales

MV = Market Value per Tax Declaration

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²⁵ *Castillo v. Court of Appeals, supra* at 158-159.

²⁶ *Lim v. Court of Appeals*, 299 Phil. 657, 663 (1994).

²⁷ *Engineering & Machinery Corporation v. Court of Appeals*, 322 Phil. 161, 168-169 (1996).

²⁸ *Chua Tiong Tay v. Court of Appeals*, 312 Phil. 1128, 1132 (1995).

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.*

³² *Id.* at 132-133.

The above formula shall be used if all the three factors are present, relevant, and applicable.

A.1 When the CS factor is not present and CNI and MV are applicable, the formula shall be:

$$LV = (CNI \times 0.9) + (MV \times 0.1)$$

A.2 When the CNI factor is not present, and CS and MV are applicable, the formula shall be:

$$LV = (CS \times 0.9) + (MV \times 0.1)$$

A.3 When both the CS and CNI are not present and only MV is applicable, the formula shall be:

$$LV = MV \times 2^{33}$$

The CA, affirming the SAC, found the use of the CS factor impractical because no data on comparable sales of similar properties was available. The CA likewise observed that the 1.2789-hectare portion of the subject property is idle as it is an access road. Thus, it was logical to use the formula under A.1 in conjunction with the formula under A.3 since the property is made up of both productive and idle lands. Given this, it used the following formula, also used by the LBP:

$$LV = (0.90CNI + 0.10MV) + 2MV$$

In this formula, $(0.90CNI + 0.10MV)$ refers to the CNI and MV of the 45.6038-hectare portion of the land, and $2MV$ refers to the 1.2789-hectare portion of the idle land.

There is no dispute in the formula adopted by the CA and We uphold its application in this case. What is contentious, however, is the source data behind the CNI factor in the above computation. While petitioner asserts that industry data is appropriate, the respondents contend that the valuation should be based on specific production data.

The AO No. 05 provides that the CNI is the difference between the gross sales (AGP x SP) and total cost of operations (CO) capitalized at 12%. Expressed in equation form:

$$CNI = \frac{(AGP \times SP) - CO}{0.12}$$

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³³ Department of Agrarian Reform Administrative Order No. 05-98, II (A), April 15 1998.

The AO No. 05 and JMC No. 15 series of 1999 (“JMC No. 15”) provides for the sources of data which constitute the average gross product (*AGP*) and the Selling Price (*SP*):

AGP is Annual Gross Production corresponding to the latest available 12-months’ gross production immediately preceding the date of Field Investigation.

SP is the average of the latest available 12-months’ selling prices prior to the date of receipt of the Claims Folder by LBP for processing, such prices to be secured from the Department of Agriculture and other appropriate regulatory bodies, or in their absence, from the Bureau of Agricultural Statistics. If possible, SP data shall be gathered for the barangay or municipality where the property is located. In the absence thereof, SP may be secured within the province or region.

The prefatory statement of JMC No. 15 provides that the valuation of sugar cane lands is based on either the verified and validated production data of the landowner (*LO*) or the AGP data secured from the SRA in cases where the former is not available or could not be validated.

When it comes to the methods available for arriving at the production data, A.O. No. 5 provides thus:

B.1 Industry data on production, cost of operations and selling price shall be obtained from government/private entities. Such entities shall include, but not be limited to the DA, the Sugar Regulatory Authority (SRA), the Philippine Coconut Authority (PCA) and other private persons/entities knowledgeable in the concerned industry.

B.2 The landowner shall submit a statement of net income derived from the land subject of acquisition. This shall include, among others, total production and cost of operations on a per crop basis, selling price/s (farm gate) and such other data as may be required. **These data shall be validated/verified by the Department of Agrarian Reform and Land Bank of the Philippines field personnel.** The actual tenants/farmworkers of the subject property will be the primary source of information for purposes of verification or, if not available, the tenants/farmworkers of adjoining property.

In case of failure by the landowner to submit the statement within **fifteen (15) days from the date of receipt of letter-request as certified by the Municipal Agrarian Reform Office (MARO)** or the data stated therein cannot be verified/validated, DAR and LBP may adopt any applicable industry data or, in the absence thereof, conduct an industry study on the specific crop which will be used in determining the production, cost and net income of the subject landholding.

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It is worthy to note that the duty to verify or validate the production data submitted by the landowner falls on the petitioner and the DAR. Likewise, petitioner was aware of the need to validate the production data as early as May 5, 2004, when it its Vice President and Head of the Landowners Assistance and Compensation Group, Atty. Ma. Victoria A. Reyes, issued a Memorandum³⁴ directed to the Assistant Vice President of the CARP Legal Services Dept. as follows:

SUBJECT: Land Transfer Claim of Alfonso Villegas, et al.

DATE: May 5, 2004

Referring to your memorandum dated 21 April 2004 on the subject LO, please be informed that there is a noted discrepancy between the AGP data adopted by LBP-AOC VII (based on SRA data) and the AGP data specific to Hacienda Fatima obtained by the landowner from SRA as summarized below:

Particulars	AOC-Original Valuation	LO-Position Paper
AGP: Sugar Molasses	99.17 LKG/Ha. 1.94 MT/Ha.	180.51 LKG/Ha. 3.535 MT/Ha.
Source	SRA-Average for BAIS-URSUMCO Mill District	SRA- Specific to Hacienda Fatima
SP: Sugar Molasses	P 849.07 per LKG P3, 088.33 per MT	P 849.07 per LKG P3, 088.33 per MT
Source	SRA	
NIR: Sugar Molasses	24% 66.5 %	24% 67%
Source:	JMC 15, Series of 1999	JMC 15, Series of 1999

Since we would be requesting SRA for clarification on the noted discrepancy in the AGP of sugar and molasses and the said certification from SRA may take a longer period of time, we suggest that we request DARAB for an extension of up to 60 days.

(signed)
Atty. Ma. Victoria A. Reyes

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³⁴ Rollo, p. 66.

A few months later, or on July 9, 2004, an additional memorandum was issued to the same party stating that “since there are still validation inputs that are to be verified and validated at the field level and the recomputation may require a longer period of time, may we suggest that CLSD request DARAB for an extension of another 60 days.”³⁵

The record shows that the DARAB issued its Decision in the year 2011. Otherwise stated, the petitioner had seven (7) years to validate the valuation by the landowner or to reconcile the variance in production data between the AOC Original Valuation and the landowner’s position before the DARAB resolved on the basis of available evidence. Its failure to do so cannot be taken against the respondents, following the principle of estoppel.³⁶

It is also important to note that the petitioner does not question the veracity of the production data prepared by the SRA-BAIS URSUMCO on September 26, 2003. It claims such data as “unreliable” simply because its data pertains *specifically* to Hacienda Fatima. It insists on using industry data, which, according to JMC No. 15, can be obtained from government or private entities such as the DA, the SRA, the PCA and other private persons knowledgeable in the concerned industry.

What respondents presented to DARAB, however, was a Certification from the SRA and duly adopted by the DARAB. It bears emphasizing that under A.O. No. 5, the DAR is one of the bodies tasked to validate or verify the landowner’s production data. Such reliance on the SRA-certified production data is reasonably aligned with A.O. No. 5 which recognizes that there are Sugar Centrals that keep track of the individual planter’s sugar production and molasses output.

We sustain the CA’s finding that the evidence submitted by the respondents in this case was sufficient. This Court cannot uphold the misguided interpretation by the petitioner and its insistence on

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³⁵ *Rollo*, p. 67.

³⁶ Estoppels against the public are little favored. They should not be invoked except in rare and unusual circumstances, and may not be invoked where they would operate to defeat the effective operation of a policy adopted to protect the public. They must be applied with circumspection and should be applied only in those special cases where the interests of justice clearly require it. Nevertheless, the government must not be allowed to deal dishonorably or capriciously with its citizens, and must not play an ignoble part or do a shabby thing; and subject to limitations x x x, the doctrine of equitable estoppel may be invoked against public authorities as well as against private individuals. See, *Republic v. Sundiam*, G.R. 236381, August 27, 2020. (Citation omitted)

industry data despite the presence of specific data certified by the SRA and deemed reliable by the DARAB. This interpretation is grounded on the mandated factors for just compensation under R.A. No. 6657:

SECTION 17. Determination of Just Compensation. – In determining just compensation, the cost of acquisition of the land, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declarations, and the assessment made by government assessors shall be considered. The social and economic benefits contributed by the farmers and the farmworkers and by the Government to the property as well as the non-payment of taxes or loans secured from any government financing institution on the said land shall be considered as additional factors to determine its valuation.

Clearly, all these factors pertain to the data arising from the actual land to be expropriated, and not industry data in general. Just compensation, after all, is the full and fair equivalent of the *property taken* from its owner by the expropriator.³⁷ The utilization of industry data, while not provided in law, is provided in the implementing rules and regulations as an alternative source of data when specific production data is not available or reliable. The Court gives great weight to the findings of the DARAB, RTC, and CA that the specific production data supplied by respondents in this case is reliable.

Given the Court's affirmation of the sources of data used in the subject land's valuation, it follows that We affirm the land valuation as computed by the CA. To reiterate, the veracity of the facts and figures which it used in arriving at the amount of just compensation under the circumstances involves the resolution of questions of fact which, as a rule, are improper in a petition for review on *certiorari*. We have likewise consistently taken the position that this Court is not a trier of facts.³⁸

*Legal Interest Due for Delay in
Payment of the Full Award as
Determined by the Courts*

Petitioner likewise argues against the inequity in penalizing it for delay. It states that the differences in valuation as arrived by it and the SAC puts the principal amount of just compensation in issue, thus the computation of legal interest should be re-evaluated.

This contention must fail.

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³⁷ *Manila Railroad Company v. Velasquez*, 32 Phil. 286, 313 (1915).

³⁸ *Land Bank of the Philippines v. Heirs of Tañada, et al.*, 803 Phil. 103, 114 (2017).

Just compensation is the fair and full equivalent property, reckoned at the time of taking.³⁹ It has been repeatedly stressed by this Court that the true measure is not the taker's gain but the owner's loss.⁴⁰ In accordance with prevailing jurisprudence, just compensation contemplates just and prompt payment, and "prompt" payment, in turn, requires the payment in full of the just compensation as finally determined by the courts.⁴¹

Consequently, the late payment of just compensation must necessarily incur an interest. We expounded this matter in *Republic of the Philippines, represented by the Department of Public Works and Highways (DPWH) v. Estrella R. Decena, Marieta Decena Brazil, et al.* as follows:

Accordingly, absent full payment of just compensation, interest on the unpaid portion (*i.e.*, the just compensation determined by the court at the time the decision becomes final and executory minus the initial deposit), likewise runs as a matter of law and follows as a matter of course — in order to place the owner in a position as good as (but not better than) the position he was in before the taking occurred. The underlying reason is simple. Compensation would not be "just" if the government does not pay the property owner interest on the just compensation from the date of the taking of the property.

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While it is ideal that just compensation be immediately made available to the property owner so that he may derive income from that compensation, that is not always the case. If full payment is not paid for the property taken, **the State must pay for the shortfall in the earning potential that the owner immediately lost due to the taking. Consequently, interest on the unpaid portion becomes due as compliance with the constitutional mandate on eminent domain and as a basic measure of fairness.**⁴²

So it must be. Based on the records, petitioner deposited the amount of ₱8,638,094.08 in the respondents' names on January 28, 2003. Title over the subject property was later transferred to the Republic, on February 26, 2003. Considering that this was the time when the landowner was deprived of the use and benefit of his property, this must be considered the time of taking.

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³⁹ *Apo Fruits Corporation and Hijo Plantation, Inc. v. Land Bank of the Philippines*, 647 Phil. 251, (2010).

⁴⁰ *Id.* at 271.

⁴¹ *Republic v. Decena, et al.*, 837 Phil. 314, 331 (2018). (Citations omitted)

⁴² *Id.* at 332-333. (Emphases supplied and citations omitted)

In light of the foregoing, the Court finds that petitioner is liable to pay legal interest for the unpaid portion between the award of just compensation as determined by the court (₱15,271,543.94) and the amount of initial deposit made by the government.

In consideration of the prevailing jurisprudence, the legal interest shall be at the rate of twelve percent (12%) *per annum* from the time of taking on February 26, 2003 until June 30, 2013, and at the rate of six percent (6%) *per annum* from July 1, 2013 until full payment.⁴³

WHEREFORE, the Petition is **DENIED**. The Decision dated August 31, 2016 and Resolution dated March 26, 2018 rendered by the Court of Appeals in CA-G.R. SP No. 08033 are **AFFIRMED** with **MODIFICATION**. Landbank of the Philippines is ordered to pay Alfonso Villegas and Sylvia Lemoncito, Ma. Cristina Villegas-Segura, Angelico Pio De Las Alas Villegas, Patricio A. Villegas, Jr., Maria Cecilia Villegas-Bael, Maria Teresa Villegas-Tulisiak and Imelda Villegas-Garrett the unpaid portion of the award of just compensation of ₱15,271,543.94, or the amount of ₱6,633,449.86 with legal interest at the rate of twelve percent (12%) *per annum* from the time of taking on February 26, 2003 until June 30, 2013, and at the rate of six percent (6%) *per annum* from July 1, 2013 until full payment.

SO ORDERED.”

By authority of the Court:


LIBRADA C. BUENA
Division Clerk of Court

by:

MARIA TERESA B. SIBULO
Deputy Division Clerk of Court
253-B

- over -

⁴³ *Land Bank of the Philippines v. Del Rosario*, 916 SCRA 465, 480-481 (2019).



LBP LEGAL SERVICES GROUP
Counsel for Petitioner
CARP Legal Services Department
31F, Land Bank Plaza, 1598 M.H. Del
Pilar cor. Dr. Quintos Streets, Malate
1004 Manila

OFFICE OF THE GOVERNMENT
CORPORATE COUNSEL
3rd Floor, MWSS Building
Katipunan Road, Balara
1105 Quezon City

Court of Appeals
6000 Cebu City
(CA-G.R. SP No. 08033)

Atty. Arturo M. Dupio
Counsel for Respondents
Sapphire Street, Clayton Subdivision
Daro, Dumaguete City
6200 Negros Oriental

The Hon. Presiding Judge
Regional Trial Court, Branch 32
Dumaguete City, 6200 Negros Oriental
(Civil Case No. 2012-14695)

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