Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

FEDERAL BUILDERS, INC.,
Petitioner,

G.R. No. 194507

- versus –

FOUNDATION SPECIALISTS, INC.,
Respondent,

x----------x

FOUNDATION SPECIALISTS, INC.,
Petitioner,

G.R. No. 194621

Presents:

- versus -

PERALTA, *J.*, *Acting Chairperson*,
VILLARAMA, JR.,
REYES,
LEONEN,* and
JARDELEZA, *JJ*

FEDERAL BUILDERS, INC.,
Respondent.

Promulgated:
September 8, 2014

x----------x

D E C I S I O N

PERALTA, *J.*:

Before the Court are two consolidated cases, namely: (1) Petition for review on *certiorari* under Rule 45 of the Rules of Court, docketed as G.R. No. 194507, filed by Federal Builders, Inc., assailing the Decision[1] and

---

* Designated Member per Raffle dated September 8, 2014.

1 Penned by Associate Justice Juan Q. Enriquez, Jr., with Associate Justices Ramon M. Bato, Jr. and Florito S. Macalino, concurring; Annex "B" to Petition, *rollo* (G.R. No. 194507), pp. 60-69.

Resolution,[2] dated July 15, 2010 and November 23, 2010, respectively, of the Court of Appeals (*CA*) in CA-G.R. CV No. 70849, which affirmed with modification the Decision[3] dated May 3, 2001 of the Regional Trial Court (*RTC*) in Civil Case No. 92-075; and (2) Petition for review on *certiorari* under Rule 45 of the Rules of Court, docketed as G.R. No. 194621, filed by Foundation Specialists, Inc., assailing the same Decision[4] and Resolution,[5] dated July 15, 2010 and November 23, 2010, respectively, of the CA in CA-G.R. CV No. 70849, which affirmed with modification the Decision[6] dated May 3, 2001 of the RTC in Civil Case No. 92-075.

The antecedent facts are as follows:

On August 20, 1990, Federal Builders, Inc. (*FBI*) entered into an agreement with Foundation Specialists, Inc. (*FSI*) whereby the latter, as sub-contractor, undertook the construction of the diaphragm wall, capping beam, and guide walls of the Trafalgar Plaza located at Salcedo Village, Makati City (the *Project*), for a total contract price of Seven Million Four Hundred Thousand Pesos (₱7,400,000.00).[7] Under the agreement,[8] FBI was to pay a downpayment equivalent to twenty percent (20%) of the contract price and the balance, through a progress billing every fifteen (15) days, payable not later than one (1) week from presentation of the billing.

On January 9, 1992, FSI filed a complaint for *Sum of Money* against FBI before the RTC of Makati City seeking to collect the amount of One Million Six Hundred Thirty-Five Thousand Two Hundred Seventy-Eight Pesos and Ninety-One Centavos (₱1,635,278.91), representing Billings No. 3 and 4, with accrued interest from August 1, 1991 plus moral and exemplary damages with attorney's fees.[9] In its complaint, FSI alleged that FBI refused to pay said amount despite demand and its completion of ninety-seven percent (97%) of the contracted works.

In its Answer with Counterclaim, FBI claimed that FSI completed only eighty-five percent (85%) of the contracted works, failing to finish the diaphragm wall and component works in accordance with the plans and specifications and abandoning the jobsite. FBI maintains that because of FSI's inadequacy, its schedule in finishing the Project has been delayed resulting in the Project owner's deferment of its own progress billings.[10] It

---

2 Annex "C" to Petition, *id*. at 70-72.
3 Penned by Judge Estela Perlas-Bernabe, Annex "D" to Petition, *rollo* (G.R. No.194621), pp. 69-78.
4 *Supra* note 1.
5 *Supra* note 2.
6 *Supra* note 3.
7 *Rollo* (G.R. No. 194507), p. 62.
8 *Id*. at 78-82.
9 *Id.* at 62.
10 *Id.* at 63.

further interposed counterclaims for amounts it spent for the remedial works on the alleged defects in FSI's work.

On May 3, 2001, after evaluating the evidence of both parties, the RTC ruled in favor of FSI, the dispositive portion of its Decision reads:

> WHEREFORE, on the basis of the foregoing, judgment is rendered ordering defendant to pay plaintiff the following:
>
> 1. The sum of ₱1,024,600.00 representing billings 3 and 4, less the amount of ₱33,354.40 plus 12% legal interest from August 30, 1991;
> 2. The sum of ₱279,585.00 representing the cost of undelivered cement;
> 3. The sum of ₱200,000.00 as attorney's fees; and
> 4. The cost of suit.
>
> Defendant's counterclaim is denied for lack of factual and legal basis.
>
> SO ORDERED.[11]

On appeal, the CA affirmed the Decision of the lower court, but deleted the sum of ₱279,585.00 representing the cost of undelivered cement and reduced the award of attorney's fees to ₱50,000.00. In its Decision[12] dated July 15, 2010, the CA explained that FSI failed to substantiate how and in what manner it incurred the cost of cement by stressing that its claim was not supported by actual receipts. Also, it found that while the trial court did not err in awarding attorney's fees, the same should be reduced for being unconscionable and excessive.

On FBI's rejection of the 12% annual interest rate on the amount of Billings 3 and 4, the CA ruled that the lower court did not err in imposing the same in the following wise:

> x x x The rule is well-settled that when an obligation is breached, and it consists in the payment of a sum of money, the interest due shall itself earn legal interest from the time it is judicially demanded (*BPI Family Savings Bank, Inc. vs. First Metro Investment Corporation, 429 SCRA 30*). When there is no rate of interest stipulated, such as in the present case, the legal rate of interest shall be imposed, pursuant to Article 2209 of the *New Civil Code*. In the absence of a stipulated interest rate on a loan due, the legal rate of interest shall be 12% per annum.[13]

---

11 *Rollo* (G.R. No. 194621), p. 78.
12 *Rollo* (G.R. No. 194507), pp. 61-68.
13 *Id*. at 67. (Italics in the original)

Both parties filed separate Motions for Reconsideration assailing different portions of the CA Decision, but to no avail.[14] Undaunted, they subsequently elevated their claims with this Court via petitions for review on *certiorari.*

On the one hand, FSI asserted that the CA should not have deleted the sum of ₱279,585.00 representing the cost of undelivered cement and reduced the award of attorney's fees to ₱50,000.00, since it was an undisputed fact that FBI failed to deliver the agreed quantity of cement. On the other hand, FBI faulted the CA for affirming the decision of the lower court insofar as the award of the sum representing Billings 3 and 4, the interest imposed thereon, and the rejection of his counterclaim were concerned. In a Resolution[15] dated February 21, 2011, however, this Court denied, with finality, the petition filed by FSI in G.R. No. 194621 for having been filed late.

Hence, the present petition filed by FBI in G.R. No. 194507 invoking the following arguments:

> I.
> THE COURT OF APPEALS COMMITTED A CLEAR, REVERSABLE ERROR WHEN IT AFFIRMED THE TRIAL COURT'S JUDGMENT THAT FEDERAL BUILDERS, INC. WAS LIABLE TO PAY THE BALANCE OF ₱1,024,600.00 LESS THE AMOUNT OF P33,354.40 NOTWITHSTANDING THAT THE DIAPHRAGM WALL CONSTRUCTED BY FOUNDATION SPECIALIST, INC. WAS CONCEDEDLY DEFECTIVE AND OUT-OF-SPECIFICATIONS AND THAT PETITIONER HAD TO REDO IT AT ITS OWN EXPENSE.
>
> II.
> THE COURT OF APPEALS COMMITTED SERIOUS, REVERSABLE ERROR WHEN IT IMPOSED THE 12% LEGAL INTEREST FROM AUGUST 30, 1991 ON THE DISPUTED CLAIM OF ₱1,024,600.00 LESS THE AMOUNT OF ₱33,354.40 DESPITE THE FACT THAT THERE WAS NO STIPULATION IN THE AGREEMENT OF THE PARTIES WITH REGARD TO INTEREST AND DESPITE THE FACT THAT THEIR AGREEMENT WAS NOT A "LOAN OR FORBEARANCE OF MONEY."
>
> III.
> THE COURT OF APPEALS COMMITTED GRAVE AND SERIOUS REVERSABLE ERROR WHEN IT DISMISSED THE COUNTERCLAIM OF PETITIONER NOTWITHSTANDING OVERWHELMING EVIDENCE SUPPORTING ITS CLAIM OF ₱8,582,756.29 AS ACTUAL DAMAGES.

The petition is partly meritorious.

---

14 *Id*. at 71-72.

15 *Id*. at 107-108. See also Entry of Judgment, *rollo* (G.R. No. 194621), pp. 91-92.

We agree with the courts below and reject FBI's first and third arguments. Well-entrenched in jurisprudence is the rule that factual findings of the trial court, especially when affirmed by the appellate court, are accorded the highest degree of respect and considered conclusive between the parties, save for the following exceptional and meritorious circumstances: (1) when the factual findings of the appellate court and the trial court are contradictory; (2) when the findings of the trial court are grounded entirely on speculation, surmises or conjectures; (3) when the lower court's inference from its factual findings is manifestly mistaken, absurd or impossible; (4) when there is grave abuse of discretion in the appreciation of facts; (5) when the findings of the appellate court go beyond the issues of the case, or fail to notice certain relevant facts which, if properly considered, will justify a different conclusion; (6) when there is a misappreciation of facts; (7) when the findings of fact are themselves conflicting; and (8) when the findings of fact are conclusions without mention of the specific evidence on which they are based, are premised on the absence of evidence, or are contradicted by evidence on record. [16]

None of the aforementioned exceptions are present herein. In the assailed Decision, the RTC meticulously discussed the obligations of each party, the degree of their compliance therewith, as well as their respective shortcomings, all of which were properly substantiated with the corresponding documentary and testimonial evidence.

Under the construction agreement, FSI's scope of work consisted in (1) the construction of the guide walls, diaphragm walls, and capping beam; and (2) the installation of steel props.[17] As the lower courts aptly observed from the records at hand, FSI had, indeed, completed ninety-seven percent (97%) of its contracted works and the non-completion of the remaining three percent (3%), as well as the alleged defects in the said works, are actually attributable to FBI's own fault such as, but not limited to, the failure to deliver the needed cement as agreed upon in the contract, to wit:

> On March 8, 1991, plaintiff had finished the construction of the guide wall and diaphragm wall (Exh. "R") **but had not yet constructed the capping beam as of April 22, 1991 for defendant's failure to deliver the needed cement in accordance with their agreement** (Exhibit "I"). The diaphragm wall had likewise been concrete tested and was found to have conformed with the required design strength (Exh. "R").
>
> Subsequently, plaintiff was paid the aggregate amount of ₱5,814,000.00. But as of May 30, 1991, plaintiff's billings numbers 3 and 4 had remained unpaid (Exhs. "L", "M", and "M-1").

---

[16] *Malayan Insurance Co., Inc. v. Philippines First Insurance Co., Inc.*, G.R. No. 184300, July 11, 2012, citing *Philippine Health-Care Providers, Inc. (Maxicare) v. Estrada*, G.R. No. 171052, January 28, 2008, 542 SCRA 616, 621, citing *Ilao-Quianay v. Mapile*, 510 Phil. 736, 744-745 (2005); *Fuentes v. Court of Appeals*, G.R. No. 109849, February 26, 1997, 268 SCRA 703, 709.

[17] *Rollo* (G.R. No. 194621), p. 74.

x x x x

On the misaligned diaphragm wall from top to bottom and in-between panels, plaintiff explained that in the excavation of the soil where the rebar cages are lowered and later poured with concrete cement, the characteristics of the soil is not the same or homogenous all throughout. **Because of this property of the soil, in the process of excavation, it may erode in some places that may cause spaces that the cement may fill or occupy which would naturally cause bulges, protrusions and misalignment in the concrete cast into the excavated ground** (tsn., June 1, 2000, pp 14-18). **This, in fact was anticipated when the agreement was executed and included as provision 6.4 thereof.**

The construction of the diaphragm wall panel by panel caused misalignment and the chipping off of the portions misaligned is considered a matter of course. **Defendant, as the main contractor of the project, has the responsibility of chopping or chipping off of bulges** (tsn., ibid, pp 20-21).

Wrong location of rebar dowels was anticipated by both contractor and subcontractor as the latter submitted a plan called "Detail of Sheer Connectors" (Exh "T") which was approved. The plan provided two alternatives by which the wrong location of rebar dowels may be remedied. **Hence, defendant, aware of the possibility of inaccurate location of these bars, cannot therefore ascribe the same to the plaintiff as defective work.**

Construction of the capping beam required the use of cement. Records, however, show that from September 14, 1990 up to May 30, 1991 (Exhs. "B" to "L"), **plaintiff had repeatedly requested defendant to deliver cement. Finally, on April 22, 1991, plaintiff notified defendant of its inability to construct the capping beam for the latter's failure to deliver the cement as provided in their agreement** (Exh. "I"). Although records show that there was mention of revision of design, there was no evidence presented to show such revision required less amount of cement than what was agreed on by plaintiff and defendant.

The seventh phase of the construction of the diaphragm wall is the construction of the steel props which could be installed only after the soil has been excavated by the main contractor. When defendant directed plaintiff to install the props, the latter requested for a site inspection to determine if the excavation of the soil was finished up to the 4th level basement. Plaintiff, however, did not receive any response. It later learned that defendant had contracted out that portion of work to another sub-contractor (Exhs. "O" and "P"). Nevertheless, plaintiff informed defendant of its willingness to execute that portion of its work.[18]

It is clear from the foregoing that contrary to the allegations of FBI, FSI had indeed completed its assigned obligations, with the exception of certain assigned tasks, which was due to the failure of FBI to fulfil its end of the bargain.

---

[18] *Id*. at 74-77. (Emphasis ours)

It can similarly be deduced that the defects FBI complained of, such as the misaligned diaphragm wall and the erroneous location of the rebar dowels, were not only anticipated by the parties, having stipulated alternative plans to remedy the same, but more importantly, are also attributable to the very actions of FBI. Accordingly, considering that the alleged defects in FSI's contracted works were not so much due to the fault or negligence of the FSI, but were satisfactorily proven to be caused by FBI's own acts, FBI's claim of ₱8,582,756.29 representing the cost of the measures it undertook to rectify the alleged defects must necessarily fail. In fact, as the lower court noted, at the time when FBI had evaluated FSI's works, it did not categorically pose any objection thereto, *viz*:

> **Defendant admitted that it had paid P6 million based on its evaluation of plaintiff's accomplishments (tsn., Sept. 28, 2000, p. 17) and its payment was made without objection on plaintiff's works, the majority of which were for the accomplishments in the construction of the diaphragm wall** (tsn., ibid, p. 70).
>
> x x x x
>
> While there is no evidence to show the scope of work for these billings, it is safe to assume that these were also works in the construction of the diaphragm wall considering that as of May 16, 1991, plaintiff had only the installation of the steel props and welding works to complete (Exh. "H"). **If defendant was able to evaluate the work finished by plaintiff the majority of which was the construction of the diaphragm wall and paid it about P6 million as accomplishment, there was no reason why it could not evaluate plaintiff's works covered by billings 3 and 4.** In other words, defendants did not have to excavate in order to determine and evaluate plaintiff's works. **Hence, defendant's refusal to pay was not justified and the alleged defects of the diaphragm wall (tsn, Sept. 28, 2000, p. 17) which it claims to have discovered only after January 1992 were mere afterthoughts.**[19]

Thus, in the absence of any record to otherwise prove FSI's neglect in the fulfilment of its obligations under the contract, this Court shall refrain from reversing the findings of the courts below, which are fully supported by and deducible from, the evidence on record. Indeed, FBI failed to present any evidence to justify its refusal to pay FSI for the works it was contracted to perform. As such, We do not see any reason to deviate from the assailed rulings.

Anent FBI's second assignment of error, however, We find merit in the argument that the 12% interest rate is inapplicable, since this case does not involve a loan or forbearance of money. In the landmark case of *Eastern Shipping Lines, Inc. v. Court of Appeals*,[20] We laid down the following guidelines in computing legal interest:

---

19 *Id*. (Emphasis ours)

20 G.R. No. 97412, July 12, 1994, 234 SCRA 78.

> II. With regard particularly to an award of interest in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows:
>
> > 1. When the obligation is breached, and it consists in the payment of a sum of money, i.e., a loan or forbearance of money, the interest due should be that which may have been stipulated in writing. Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be 12% per annum to be computed from default, i.e., from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code.
> >
> > 2. When an obligation, not constituting a loan or forbearance of money, is breached, an interest on the amount of damages awarded may be imposed at the discretion of the court at the rate of 6% per annum. No interest, however, shall be adjudged on unliquidated claims or damages except when or until the demand can be established with reasonable certainty. Accordingly, where the demand is established with reasonable certainty, the interest shall begin to run from the time the claim is made judicially or extrajudicially (Art. 1169, Civil Code) but when such certainty cannot be so reasonably established at the time the demand is made, the interest shall begin to run only from the date the judgment of the court is made (at which time the quantification of damages may be deemed to have been reasonably ascertained). The actual base for the computation of legal interest shall, in any case, be on the amount finally adjudged.
> >
> > 3. When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest, whether the case falls under paragraph 1 or paragraph 2, above, shall be 12% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.[21]

In line, however, with the recent circular of the Monetary Board of the Bangko Sentral ng Pilipinas (*BSP-MB*) No. 799, we have modified the guidelines in *Nacar v. Gallery Frames*,[22] as follows:

> I. When an obligation, regardless of its source, i.e., law, contracts, quasi-contracts, delicts or quasi-delicts is breached, the contravenor can be held liable for damages. The provisions under Title XVIII on "Damages" of the Civil Code govern in determining the measure of recoverable damages.

---

[21] *Eastern Shipping Lines, Inc. v. Court of Appeals*, *supra*, at 95-97. (Citations omitted; italics in the original)

[22] G.R. No. 189871, August 13, 2013.

> II. With regard particularly to an award of interest in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows:
>
> > 1. When the obligation is breached, and it consists in the payment of a sum of money, i.e., a loan or forbearance of money, the interest due should be that which may have been stipulated in writing. Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be **6% per annum** to be computed from default, i.e., from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code.
> >
> > 2. When an obligation, not constituting a loan or forbearance of money, is breached, an interest on the amount of damages awarded may be imposed at the discretion of the court at the rate of 6% per annum. No interest, however, shall be adjudged on unliquidated claims or damages, except when or until the demand can be established with reasonable certainty. Accordingly, where the demand is established with reasonable certainty, the interest shall begin to run from the time the claim is made judicially or extrajudicially (Art. 1169, Civil Code), but when such certainty cannot be so reasonably established at the time the demand is made, the interest shall begin to run only from the date the judgment of the court is made (at which time the quantification of damages may be deemed to have been reasonably ascertained). The actual base for the computation of legal interest shall, in any case, be on the amount finally adjudged.
> >
> > 3. When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest, whether the case falls under paragraph 1 or paragraph 2, above, shall be **6% per annum** from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.
>
> And, in addition to the above, judgments that have become final and executory prior to July 1, 2013, shall not be disturbed and shall continue to be implemented applying the rate of interest fixed therein.[23]

It should be noted, however, that the new rate could only be applied prospectively and not retroactively. Consequently, the twelve percent (12%) per annum legal interest shall apply only until June 30, 2013. Come July 1, 2013, the new rate of six percent (6%) per annum shall be the prevailing rate of interest when applicable. Thus, the need to determine whether the obligation involved herein is a loan and forbearance of money nonetheless exists.

---

[23] *Nacar v. Gallery Frames*, *supra*, at 96-97. (Emphasis ours)

In *S.C. Megaworld Construction and Development Corporation v. Engr. Parada*,[24] We clarified the meaning of obligations constituting loans or forbearance of money in the following wise:

> As further clarified in the case of Sunga-Chan v. CA, **a loan or forbearance of money, goods or credit describes a contractual obligation whereby a lender or creditor has refrained during a given period from requiring the borrower or debtor to repay the loan or debt then due and payable**. Thus:
>
> In Reformina v. Tomol, Jr., the Court held that the legal interest at 12% per annum under Central Bank (CB) Circular No. 416 shall be adjudged only in cases involving the loan or forbearance of money. And **for transactions involving payment of indemnities in the concept of damages arising from default in the performance of obligations in general and/or for money judgment not involving a loan or forbearance of money, goods, or credit, the governing provision is Art. 2209 of the Civil Code prescribing a yearly 6% interest.** Art. 2209 pertinently provides:
>
> > Art. 2209. If the obligation consists in the payment of a sum of money, and the debtor incurs in delay, the indemnity for damages, there being no stipulation to the contrary, shall be the payment of the interest agreed upon, and in the absence of stipulation, the legal interest, which is six per cent per annum.
>
> The term "forbearance," within the context of usury law, has been described as a contractual obligation of a lender or creditor to refrain, during a given period of time, from requiring the borrower or debtor to repay the loan or debt then due and payable.[25]

Forbearance of money, goods or credits, therefore, refers to arrangements other than loan agreements, where a person acquiesces to the temporary use of his money, goods or credits pending the happening of certain events or fulfilment of certain conditions.[26] Consequently, if those conditions are breached, said person is entitled not only to the return of the principal amount paid, but also to compensation for the use of his money which would be the same rate of legal interest applicable to a loan since the use or deprivation of funds therein is similar to a loan.[27]

This case, however, does not involve an acquiescence to the temporary use of a party's money but a performance of a particular service, specifically the construction of the diaphragm wall, capping beam, and guide walls of the Trafalgar Plaza.

---

[24] G.R. No. 183804, September 11, 2013.

[25] *S.C. Megaworld Construction and Development Corporation v. Engr.Parada, supra.* (Emphasis ours)

[26] *Estores v. Spouses Supangan*, G.R. No. 175139, April 18, 2012, 670 SCRA 95, 105-106.

[27] *Id*. at 106.

A review of similar jurisprudence would tell us that this Court had repeatedly recognized this distinction and awarded interest at a rate of 6% on actual or compensatory damages arising from a breach not only of construction contracts,[28] such as the one subject of this case, but also of contracts wherein one of the parties reneged on its obligation to perform messengerial services,[29] deliver certain quantities of molasses,[30] undertake the reforestation of a denuded forest land,[31] as well as breaches of contracts of carriage,[32] and trucking agreements.[33] We have explained therein that the reason behind such is that said contracts do not partake of loans or forbearance of money but are more in the nature of contracts of service.

Thus, in the absence of any stipulation as to interest in the agreement between the parties herein, the matter of interest award arising from the dispute in this case would actually fall under the second paragraph of the above-quoted guidelines in the landmark case of *Eastern Shipping Lines*, which necessitates the imposition of interest at the rate of 6%, instead of the 12% imposed by the courts below.

The 6% interest rate shall further be imposed from the finality of the judgment herein until satisfaction thereof, in light of our recent ruling in *Nacar v. Gallery Frames*.[34]

Note, however, that contrary to FBI's assertion, We find no error in the RTC's ruling that the interest shall begin to run from August 30, 1991 as this is the date when FSI extrajudicially made its claim against FBI through a letter demanding payment for its services.[35]

In view of the foregoing, therefore, We find no compelling reason to disturb the factual findings of the RTC and the CA, which are fully supported by and deducible from, the evidence on record, insofar as the sum representing Billings 3 and 4 is concerned. As to the rate of interest due thereon, however, We note that the same should be reduced to 6% per

---

28 *Hanjin Heavy Industries and Construction Co., Ltd. v. Dynamic Planners and Construction Corp*, G.R. Nos. 169408 & 170144, April 30, 2008; *J Plus Asia Development Corporation v. Utility Assurance Corporation*, G.R. No. 199650, June 26, 2013; *Philippine Charter Insurance Corporation v. Central Colleges of the Philippines and Dynamic Planners and Construction Corporation*, G.R. Nos. 180631-33, February 22, 2012.

29 *Radio Communications of the Philippines, Inc. v. Court Of Appeals*, G.R. No. 139762, April 26, 2006.

30 *San Fernando Regala Trading, Inc. v. Cargill Philippines, Inc.*, G.R. No. 178008, October 9, 2013.

31 *Bataan Seedling Association, Inc. v. Republic of the Philippines*, G.R. No. 141009, July 2, 2002.

32 *International Container Terminal Services, Inc. v. FGU Insurance Corporation*, G.R. No. 161539, April 24, 2009; *Air France Philippines/KLM Air France v. John Anthony De Camilis*, G.R. No. 188961, October 13, 2009, 603 SCRA 684; *Asian Terminals, Inc. v. Philam Insurance Co., Inc. (Now Chartis Philippines Insurance, Inc.)*, G.R. No. 181163, July 24, 2013.

33 *Swift Foods, Inc. v. Spouses Mateo*, G.R. No. 170486, September 12, 2011, 657 SCRA 394.

34 *Supra* note 22.

35 *Rollo* (G.R. No. 194621), pp. 75.

annum considering the fact that the obligation involved herein does not partake of a loan or forbearance of money.

WHEREFORE, premises considered, the instant petition is **DENIED**. The Decision and Resolution, dated July 15, 2010 and November 23, 2010, respectively, of the Court of Appeals in CA-G.R. CV No. 70849 are hereby **AFFIRMED** with **MODIFICATION**. Federal Builders, Inc. is ORDERED to pay Foundation Specialists, Inc. the sum of ₱1,024,600.00 representing billings 3 and 4, less the amount of ₱33,354.40, plus interest at six percent (6%) per annum reckoned from August 30, 1991 until full payment thereof.

SO ORDERED.

DIOSDADO M. PERALTA
Associate Justice
Acting Chairperson

WE CONCUR:

MARTIN S. VILLARAMA, JR.
Associate Justice

BIENVENIDO L. REYES
Associate Justice

MARVIC MARIO VICTOR F. LEONEN
Associate Justice

FRANCIS H. JARDELEZA
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

DIOSDADO M. PERALTA
Associate Justice
Acting Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ANTONIO T. CARPIO
Acting Chief Justice