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petition, it should be dropped as party respondent, as prayed for in its manifestation and motion dated June 22, 1992.[7]

In order to avoid any similar controversy, petitioner is reminded to adopt a more systematic and precise accounting procedure keeping in mind the various principles and nuances surrounding corporate practice.

WHEREFORE, the petition is hereby **GRANTED.** The assailed orders of the Regional Tripartite Wages and Productivity Board — National Capital Region, dated October 22, 1991 and February 4, 1992, are **ANNULLED** and **SET ASIDE.** Said Board is also hereby mandated to issue another order granting the application of petitioner Central Textile Mills, Inc. for exemption from Wage Order No. NCR-02 for the year ending December 31, 1990. No pronouncement as to cost.

SO ORDERED.

Regalado (Chairman), Puno, Mendoza, and *Torres, Jr., JJ.*, concur.

THIRD DIVISION

[G.R. No. 106472. August 7, 1996]

JUAN CASTILLO and MARIA MASANGYA-CASTILLO (substituted by their legal heirs and children, ALEJANDRO CASTILLO,

[7] *Rollo*, p. 156.

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CONSTANCIA C. VILLANUEVA, CRISOSTOMO CASTILLO, PRESELIANA C. ISMAEL and INDALICIO CASTILLO), *petitioners, vs.* COURT OF APPEALS, REGIONAL TRIAL COURT OF AKLAN (Branch 3) and ROSITA MASANGYA, *respondents.*

SYLLABUS

1. **REMEDIAL LAW; SPECIAL CIVIL ACTIONS; CERTIORARI; QUESTION OF LAW, ONLY ISSUE INVOLVED.**— In petitions for review on certiorari like the one before us, it is basic that only questions of law may be brought by the parties and passed upon by this Court. "Well-entrenched is the general rule that the jurisdiction of this Court in cases brought before it from the 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. It is only in exceptional cases where this Court may review findings of fact of the Court of Appeals. It is elemenatry that in petitions for review under Rule 45, this Court only passes upon questions of law."

2. **ID.; EVIDENCE; FINDINGS OF FACT OF THE TRIAL COURT AFFIRMED BY THE COURT OF APPEALS, BINDING ON SUPREME COURT.**— Prevailing jurisprudence uniformly holds that findings of facts of the trial court, particularly when affirmed by the Court of Appeals, are binding upon this Court.

3. **ID.; ID.; ID.; CASE AT BAR NOT AN EXCEPTION.**— To be sure, there are well-settled exceptions to the above rule. Among the exceptional circumstances where a reassessment of facts found by the lower courts is allowed are when the conclusion is a finding grounded entirely on speculation, surmises or conjectures; when the inference made is manifestly absurd, mistaken or impossible; when there is grave abuse of discretion in the appreciation of

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facts; when the findings of fact are conflicting; and when the Court of Appeals, in making its findings, went beyond the issues of the case and the same are contrary to the admissions of both appellant and appellee. After a careful study of the instant case, we find none of the abovementioned exceptions to justify the re-evaluation of the findings of fact made by the court below. On the contrary, such findings are well-supported by the evidence on record.

APPEARANCES OF COUNSEL

Bienvenido D. Comia for petitioners.

Ronquillo C. Tolentino for private respondent.

D E C I S I O N

PANGANIBAN, *J.*:

In resolving this petition, the Court reiterates the well-settled rule that, absent any clear showing of abuse, arbitrariness or capriciousness committed by the lower court, its findings of facts, especially when affirmed by the Court of Appeals, are binding and conclusive upon this Court.

This is a petition under Rule 45 to review and set aside the Decision[1] of the Court of Appeals[2] promulgated on May 26, 1992 and the Resolution[3] promulgated on August 5, 1992 denying the motion for reconsideration.

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[1] *Rollo*, pp. 35-44.

[2] Thirteenth Division, composed of J. Arturo B. Buena, chairman and *ponente*, *JJ.* Cancio C. Garcia and Pacita Cañizares-Nye, members, concurring.

[3] *Rollo*, p. 45.

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The Antecedents

On February 6, 1976, private respondent Rosita Masangya filed a complaint with the Regional Trial Court of Aklan (Branch 3) for quieting of title with damages, over a piece of land located in Barrio Candelaria, Municipality of New Washington, Province of Aklan. During the pendency of the case, defendants-spouses Juan Castillo and Maria Masangya Castillo died on September 17, 1980 and October 4, 1980, respectively, and were substituted by their heirs and children, Alejandro Castillo, Constancia C. Villanueva, Crisostomo Castillo, Preseliana C. Ismael and Indalicio Castillo.

The facts of the case as found by the trial court and reiterated *verbatim* in the respondent Court's assailed Decision are as follows:

"It is established that the land in question is situated at Barrio Candelaria, New Washington, Aklan. It is that which is indicated in the commissioner's report and sketch as enclosed within the perimeter of points 1, 2, 3, 4, 5, 6, 7, 8, 9, and back to point 1 (traced in balck [sic] and red ink lines) and having an approximate area of 12,724 square meters, more or less.

Likewise, it is established that the land in question referred to and more particularly described in paragraph 2 of the complaint is the same land reflected in the report and sketch of the court commissioner.

It is, moreover, established that the primitive owner of the land in question is Luis Masangya who had long been cultivating or possessing the land for years long before the last World War II.

After the death of the said Luis Masangya the latter's children, namely Isidro Masangya also known as Loverato Masangya) and then Rosita Masangya took over the possession of the said land in question. Isidro Masangya began cultivating and possessing said land in 1934.

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For failure to pay taxes on the land it was sold at public auction on or about May 29, 1937 and it was Presentacion Relado, married to Pedro Balledos, who bought the same at public auction and who in turn sold it later to the said Rosita Masangya, and which sale was confirmed later by the heirs of the said Presentacion Relado.

The Certificate of Sale over delinquent real property to the then province of Capiz where the real property is situated is evidenced by a certified xerox copy from the original on file at the provincial assessor's office marked Exhibit "A," dated May 29, 1937, and which shows on its face (1) the delinquent taxpayer, Luis Masangya (Exh. "A-1"), (2) the location at Candelaria, (3) the area as 12,680 square meters (Exh, "A-2") and (4) its adjoining owners, to wit: North — Cornelio Bautista; East — Rico Ambito; South — Alejandro Magbiro; and West — Aquilina Masangya.

Exhibit "B," dated August 20, 1949, is a confirmation of the delinquent sale mentioned in Exhibit "A" and which is a certified xerox copy of the original on file at the provincial assessor's office in which Municipal Treasurer (sic) Benjamin Masangkay of New Washington, Capiz requested in his own handwriting chief Deputy Assessor Deogracias Rubrico of Capiz, Capiz to issue the final bill of sale to "bearer Presentacion Relado . . . who bought the land at public auction before the war and her papers incident to the transfer of the property to her were lost during the war except only the certificate of sale."

From the foregoing evidence the Court finds that the identity of the land in question has been established by the plaintiff and that the said Presentacion Relado is the very person to whom the Province of Capiz through its provincial treasurer sold the land in question after said province had previously consolidated its ownership over said land in question.

The obtention of Exhibits "A" and "B" above referred to is evidenced by the official receipt (Exh. "C") for the payment of the certification from the office of the provincial assessor

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of Aklan (Aklan having been carved out of the province of Capiz in or about 1956).

It is duly established that the said Presentacion Relado had previously declared for taxation purposes the land in question in her name as evidenced by Tax Declaration No. 6482 (Exh. "I") in 1945 which shows at the back thereof that said tax declaration cancels old Tax Declaration No. 24538 of primitive owner Luis Masangya (Exh. "I-1").

It is shown that Isidro Masangya, brother of plaintiff Rosita Masangya, while possessing the land along with the latter after the death of their father Luis Masangya had x x x pursuant to their verbal agreement declared the land for taxation purposes in his name, to wit: Tax Declaration No. 682 (Exh. "F"), Tax Declaration No. 13126 (Exh. "G") and Tax Declaration No. 6806 (Exh. "H"). And Exhibit "H" which was executed in 1951 shows at the back thereof that this cancels Tax Declaration No. 6482 in the name of Presentacion Relado to whom the land in question was previously sold by the province of Capiz.

In view of the loss or non-availability of the final deed of sale in the provincial assessor's office at Aklan, after the records were transferred from Capiz to the new province of Aklan, in favor of the said Presentacion Relado herein plaintiff secured from the heirs of Presentacion Relado a Confirmation of Sale of Unregistered Land, marked Exhibit "M," duly signed by Presentacion's husband Primo Balledos (Exh. "M-1"), duly notarized and which shows among others the area: 12,680 square meters (Exh. "M-2").

It is in addition established that the heirs of Pedro Masangya executed later a Joint Affidavit of Waiver and Quitclaim (Exh. "D") over the land in question (Exh. "D-1") showing the area: 12,680 square meters (Exh. "D-2").

Subsequently, plaintiff Rosita Masangya has (sic) then declared the land in question in her name under Tax Declaration No. 10032 (Exh. "E") and Tax Declaration No. 812 (Exh. "L"), with the area shown as 12,688 square meters (Exh. "L-

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1"). Plaintiff has (sic) paid the transfer tax (Exh. "J"), as well as the taxes thereon as evidenced by receipts of tax payments (Exh. K, K-1, K-2, K-3, K-4, K-5, K-6, K-7) and she had executed a sworn statement of the true current and fair market value (Exh. "O" and "O-1") of the land in question, as required by P.D. No. 464. She likewise has a survey notification card (Exh. "N" and "N-1"), it appearing said land was cadastrally surveyed twice, 1976 and 1984.

From the foregoing established facts and it appearing that the actual and physical possession in concept of owner of the land in question by plaintiff and her predecessors-in-interest lasted for more than ten (10) years — commencing during the effectivity of the old Code of Civil Procedure and which lasted after the New Civil Code took effect on August 1, 1950 — the Court finds and holds that plaintiff has long consolidated her ownership over the land in question when defendants usurped the possession in October, 1973. (pp. 3-6, Decision)."

After trial on the merits, the court *a quo* rendered judgment in favor of private respondent Rosita Masangya. The dispositive portion of the Decision reads as follows:

"WHEREFORE, judgment is hereby rendered in favor of plaintiff [herein private respondent] and against the defendants as follows:

(1) Herein plaintiff is hereby declared the lawful owner of the land in question and she is entitled to the legal possession of the same, with costs against the defendants;

(2) Defendants are hereby ordered to vacate from (sic) the land in question and they are likewise hereby ordered to restore the possession of the same to the herein plaintiff;

(3) Defendants are hereby ordered to pay jointly and severally to plaintiff the sum of P2,000.00 representing attorney's fees and other incidental expenses incurred by plaintiff in connection with this case;

(4) Defendants are likewise hereby ordered to pay jointly and severally the herein plaintiff the sum of P1,000.00 annually

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from the filing of the complaint on February 6, 1976 until such time that the possession of the land in question shall have been restored to the plaintiff;

(5) Plaintiff's claim for moral damages is hereby denied for lack of evidence;

(6) Defendant's counterclaim is hereby denied for being unmeritorious.

SO ORDERED."[4]

On appeal, respondent Court found no reversible error and thus affirmed the trial court. Hence, this petition.

The Issue

The Petition before us alleges the commission by respondent Court of "grave abuse of discretion on account of their reversible error," described as follows:

"That with due respect, respondent courts erred in not upholding ownership of the subject piece of land by the petitioners which ownership was legally acquired not only by ordinary prescription but also by extraordinary prescription, respondent courts having committed a misapprehension of facts. (Gomez *vs.* IAC, 135 SCRA 620; Republic *vs.* DA, 132 SCRA 514, etc.)."

In their memorandum, petitioners broke down this "error" into four questions:[5]

"I. Who first acquired the land in question: Is it Juan Castillo or Rosita Masangya?

II. Who is in continuous possession of the land: Is it petitioners or private respondent?

III. Who first declared the land for taxation purposes?

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[4] Decision, pp. 9-10.

[5] *Rollo*, p. 110.

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IV. And on the basis of all the evidence, to whom does the land legally belong?"

In urging us to reverse the two lower courts, petitioners contend that the spouses Juan Castillo and Maria Masangya purchased the property from Fortunato Quimpo on July 16, 1934, and since then "were in continuous possession, openly, adversely, notoriously and in the concept of x x x owner."[6] In their memorandum, petitioners attack the evidence submitted by private respondent — and upon which both courts relied — as being as "insufficient x x x suspicious x x x hearsay x x x fabricated x x x (and/or) with no probative value." Besides, petitioners insist, Rosita claimed ownership only from 1937 onwards while Juan and Maria asserted theirs in 1934; thus, the maxim "First in time, first in right" should apply. Petitioners also argue that Juan Castillo had the land declared for tax purposes way ahead of private respondent. Thus, they conclude that their evidence is superior to that of Rosita Masangya and that "the respondent Court committed a misapprehension of facts."

The Court's Ruling

The petition is plainly unmeritorious.

In petitions for review on certiorari like the one before us, it is basic that only questions of law may be brought by the parties and passed upon by this Court.

"Well-entrenched is the general rule that the jurisdiction of this Court in cases brought before it from the 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. It is only in exceptional cases where this Court may review findings of fact of the Court of Appeals. x x x"[7]

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[6] Petition, p. 12; *rollo*, p. 18.

[7] *Pantranco North Express, Inc. vs. Court of Appeals*, 224 SCRA 477, 485-486 (July 5, 1993).

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"x x x It is elementary that in petitions for review under Rule 45, this Court only passes upon questions of law."[8]

From a reading of the four issues they presented, petitioners are asking us to review the evidence and evaluate the credibility of the witnesses' testimonies. This we cannot do.

Prevailing jurisprudence uniformly holds that findings of facts of the trial court, particularly when affirmed by the Court of Appeals, are binding upon this Court.

"The general rule is that factual findings of lower courts are accorded respect by [the Supreme Court] on review of their decisions x x x"[9]

"x x x Findings of fact made by a trial court are accorded the highest degree of respect by an appellate tribunal and, absent a clear disregard of the evidence before it that can otherwise affect the results of the case, those findings should not be ignored x x x"[10]

"The petition is bereft of merit and merely raises factual issues, the determination of which is best left to the trial court. Well-settled is the rule that findings of fact of the trial court and the Court of Appeals are not to be disturbed on appeal and are entitled to great weight and respect (Tay Chun Suy *vs.* Court of Appeals, 229 SCRA 151 [1993] x x x"[11]

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[8] *Cuizon vs. Court of Appeals*, 227 SCRA 391 (October 26, 1993). See also *Villareal vs. Court of Appeals*, 219 SCRA 293, 298 (March 1, 1993), and *Surban vs. Court of Appeals*, 219 SCRA 309, 312 (March 1, 1993).

[9] *Lim vs. Court of Appeals*, 229 SCRA 616, 621 (February 3, 1994).

[10] *Navallo vs. Sandiganbayan*, 234 SCRA 175, 185-186 (July 18, 1994).

[11] *Verdejo vs. Court of Appeals*, 238 SCRA 781, 784 (December 5, 1994).

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"It is settled rule that the findings of fact of trial courts are given great weight on appeal because they are in a better position to examine the real evidence, and observe the demeanor of the witnesses, and can therefore discern if they are telling the truth or not. x x x"[12]

To be sure, there are well-settled exceptions to the above rule.

"x x x An exception thereto occurs where the findings of fact of the Court of Appeals are at variance with the trial court, in which case the [Supreme] Court reviews the evidence in order to arrive at the correct findings based on the records."[13]

"x x x It is not the function of this Court to re-examine the findings of fact of the appellate court unless said findings are not supported by the evidence on record or the judgment is based on a misapprehension of facts."[14]

"The Court has consistently held that the factual findings of the trial court, as well as the Court of Appeals, are final and conclusive and may not be reviewed on appeal. Among the exceptional circumstances where a reassessment of facts found by the lower courts is allowed are when the conclusion is a finding grounded entirely on speculation, surmises or conjectures; when the inference made is manifestly absurd, mistaken or impossible; when there is grave abuse of discretion in the appreciation of facts; when the findings of fact are conflicting; and when the Court of Appeals, is making its findings, went beyond the issues of the case and the same are contrary to the admissions of both appellant and appellee. x x x"[15]

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[12] *People vs. Cabalhin*, 231 SCRA 486, 496 (March 28, 1994).

[13] *Cuizon vs. Court of Appeals, supra.*

[14] *Engineering & Machinery Corporation vs. Court of Appeals*, G.R. No. 52267 (January 24, 1996), citing *Navarro vs. Court of Appeals*, 209 SCRA 612 (June 8, 1992), which in turn cited *Remalante vs. Tibe, et al.*, 158 SCRA 138 (February 25, 1988).

[15] *Chua Tiong Tay vs. Court of Appeals*, 243 SCRA 183, 186 (March 31, 1995).

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After a careful study of the instant case, we find none of the abovementioned exceptions to justify the re-evaluation of the findings of fact made by the court below. On the contrary, such findings are well-supported by the evidence on record. Over-all, the petitioners have not clearly demonstrated any reversible error committed by the respondent Court of Appeals.

WHEREFORE, premises considered, the instant Petition is hereby **DISMISSED** for lack of merit.

SO ORDERED.

Narvasa, C.J. (Chairman), Davide, Jr., Melo, and *Francisco, JJ.*, concur.

SECOND DIVISION

[G.R. No. 109090. August 7, 1996]

BRILLO HANDICRAFTS, INC., *petitioner, vs.* COURT OF APPEALS, and DAILY OVERLAND EXPRESS, INC., *respondents.*

SYLLABUS

CIVIL LAW; CONTRACTS; EQUITABLE PRINCIPLE OF ESTOPPEL; APPLICABLE IN CASE AT BAR.— The applicable rate should be the one agreed upon and the same should have the force of law between the parties. In fact, petitioner can no longer impugn its liability because it had already partially paid the amount. The case filed by private respondent was for the unpaid balance. It should likewise be noted that petitioner was a regular customer of private respondent and it did not