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person on trial under such an exacting test should the sentence be one of conviction. It is thus required that every circumstance favoring his innocence be duly taken into account. The proof against him must survive the test of reason; the strongest suspicion must not be permitted to sway judgment. The conscience must be satisfied that on the defendant could be laid the responsibility for the offense charged; that not only did he perpetrate the act but that it amounted to a crime. What is required then is moral certainty."[32]

WHEREFORE, the appealed judgment is reversed. Appellant Leonardo Bania is acquitted. He is to be released forthwith unless he is held on any other valid charge.

Aquino, Concepcion Jr., Abad Santos, Escolin, and *Cuevas, JJ.,* concur.

Makasiar, J., reserves his vote.

SECOND DIVISION

[G.R. Nos. L-47381 & L-47420. January 31, 1985]

REPUBLIC OF THE PHILIPPINES, duly represented by the Honorable Secretary of Education and Culture, *petitioner, vs.* COURT OF APPEALS; the PRESIDING JUDGE, Court of First Instance of Manila, Branch VI;

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[32] *Ibid.,* 64. Cf. People *v.* Alvarez, L-34644, Jan. 17, 1974, 55 SCRA 81; People *v.* Joven, L-36022, May 22, 1975, 64 SCRA 126; People *v.* Ramirez, L-30635-6, Jan. 29, 1976, 69 SCRA 144; People *v.* Godoy, L-31177, July 15, 1976, 72 SCRA 69; People *v.* Lopez, L-41974, Nov. 29, 1976, 74 SCRA 205; People *v.* Poblador, L-44129, April 29, 1977, 76 SCRA 634; People *v.* Quiazon, L-44299, Aug. 31, 1977, 78 SCRA 513; People *v.* Nazareno, L-45533, Nov. 29, 1977, 80 SCRA 484; People *v.* Gabilan, L-45245, July 2, 1982, 115 SCRA 1; People *v.* Gabiana, L-39716, Sept. 30, 1982, 117 SCRA 260; People *v.* Ibanga, L-39502, Sept. 24, 1983, 124 SCRA 697.

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DOMINADOR Q. CACPAL, Acting Executive Sheriff, Sheriff's Office, Manila; SOLEDAD QUINTOS; and SUNRIPE COCONUT PRODUCTS, INC., *respondents.*

SYLLABUS

REMEDIAL LAW; CIVIL PROCEDURE; APPEALS; COMPROMISE AGREEMENT; JUDGMENT RENDERED IN ACCORDANCE THEREWITH.— Where during the pendency of an appeal, a compromise agreement has been entered into by the parties to the cases containing provisions settling their controversy, which compromise agreement was duly approved by the court, judgment will be rendered in accordance therewith.

APPEARANCES OF COUNSEL

Primitivo Bucasas for petitioner in L-47381.
Isaac Arribas for petitioner-intervenor in L-47420.
Pedro S. Ravelo for private respondent.
Salcedo & Assoc. for private respondents.
Romulo, Mabanta, Sayoc, Buenaventura & de los Angeles for MEBA Benefit Plans.
Roberto V. San Jose for International Organization of Master of Mates & Pilots.

DECISION

AQUINO, *J.:*

The Republic of the Philippines appealed in 1978 from the 1976 and 1977 decisions of the Court of Appeals regarding the auction sale of the *SS Da Gama* over which Soledad Quintos and Sunripe Coconut Products, Inc. had claims. The case was docketed as L-47381.

Crest Shipping Co., Inc., a New York corporation, filed on January 5, 1978 with *this Court* a petition for *certiorari, mandamus* and prohibition for the nullification of the auction sale. This was docketed as L-47420. The two cases were consolidated. Crest Shipping was ultimately excluded from these proceedings.

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On *January 16, 1985,* the parties filed the following compromise agreement dated August 6, 1984 which is quoted in full below:

"COMPROMISE AGREEMENT

"COME NOW the petitioner, the Republic of the Philippines, represented by the Minister of Education and Culture, and the private respondent, Sunripe Coconut Products, Inc. (hereinafter referred to as Sunripe, for brevity), represented by Mr. Francisco Chua, President and General Manager, assisted by their respective counsel, to this Honorable Court respectfully manifest:

"WHEREAS, this case has been under litigation since July 1972 starting from the Court of First Instance of Manila, appealed to the Court of Appeals, and now with this Honorable Court where petitioner has questioned the validity and regularity of the public auction sale of the subject vessel, the *SS 'DA GAMA,'* conducted by respondent Sheriff on July 12, 1972 upon order of the respondent Court of First Instance, and where both the latter court and respondent Court of Appeals have ruled said sale to be valid;

"WHEREAS, the petitioner assailed the sale at public auction referred to before the Court of First Instance, the Court of Appeals, and now this Honorable Court, because said sale yielded merely an awarded bid of P505,100.00 which petitioner considered to be grossly out of proportion to the actual worth of subject vessel at the time, estimated at the minimum of $210,000.00, or roughly P1,400,000.00 (Petition, pp. 14-27);

"WHEREAS, because respondent Sunripe has since the beginning substituted the winning bidder, respondent Soledad Quintos, who sold and assigned her rights over the subject vessel to the former, it has defended the validity and regularity of said sale all these years, retaining counsel and attending as well to security, maintenance, and dewatering of the vessel, prior to its turnover to, and scrapping by, the Iligan Integrated Steel Mills, Inc. (IISMI) pursuant to Letter of Instruction No. 131 dated September 19, 1973 (Petition, pp. 8-9); Sunripe's expenditures amounted to no less than P931,908.223 as of 1977;

"WHEREAS, the IISMI has in fact accomplished such scrapping, the proceeds of which, together with the sale of non-ferrous metals as well as equipment recovered from the vessel, have been deposited in an interest bearing account with the Philippine National Bank (PNB) starting from March, 1974, and which combined amounts including interests earned total P4,712,389.26 as of February 29, 1984. (see xerox copy of the PNB certification attached as Annex 'A') hereof):

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"ANNEX A

"PHILIPPINE NATIONAL BANK
Official Depository of the Republic of the Philippines
Cashier's Department

March 20, 1984

"Mr. Rogelio G. Chan
Chief Accountant
Iligan Integrated Steel Mills, Inc,
NDC Compound
377 Buendia Ave. Ext.,
Makati, Metro Manila

"Dear Mr. Chan,

"As requested in your letter dated March 6, 1984 hereunder is the up-dated statement of balances of various certificates of time deposits of Iligan Integrated Steel Mills, Inc. as of February 29, 1984 viz:

CTD#	*FACE VALUE*	*INTERESTED EARNED (Net of Tax)*	*MATURITY VALUE*
588594	P3,645,115.15	P572,920.98	P4,218,036.13
588595	270,897.02	42,578.24	313,475.26
588596	156,310.05	24,568.04	180,878.09

"Very truly yours,

(SGD.) Illegible

"GLORIA F. MENDOZA
Senior Asst. Manager"

"WHEREAS, while petitioner and respondent Sunripe would separately insist on their respective and contrary positions regarding the sale at public auction of July 12, 1972, both parties, however, agree that their respective interests may be better served if, instead of further pursuing what has already been a long and protracted litigation, a settlement which would reasonably be advantageous to both parties be arrived at;

"NOW, THEREFORE, in consideration of the foregoing and of the stipulations hereunder, the parties hereby agree as follows:

"1. That the totality of said PNB deposits can cover respondent Sunripe's aforementioned expenditures in the amount of P931,908.23

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with a reasonable return on its investment, as assignee of the winning bidder, as well as compensate and indemnify the petitioner, to a certain degree, for damages and prejudice suffered by it in the loss of some 3,464.924 metric tons of wheat, part of the 8,300 long tons of wheat cargo then carried on board subject vessel;

"2. That respondent Sunripe shall be entitle to collect its expenditures in said amount of P931,908.32 from the P4,712,389.26 deposited with the PNB;

"3. That the balance of P3,780,481.10 shall be divided between the petitioner and respondent Sunripe, the former being entitled to P1,890,240.50, the latter to P1,890,240.50;

"4. That interests earned or to be earned after February 29, 1984 by the said PNB deposits, prior to withdrawal, shall pertain equally to the petitioner and respondent Sunripe;

"5. That once this compromise agreement is approved, the parties shall lend assistance to each other in the release of the full amount deposited by IISMI with the PNB; provided, however, that the petitioner and respondent Sunripe, respectively, shall only withdraw, or be allowed to withdraw, such amounts as they may be entitled to pursuant to the foregoing stipulations.

"WHEREFORE, it is respectfully prayed that the foregoing compromise agreement be approved, to constitute the judgment in this case, without pronouncement as to costs.

"Makati, Metro Manila for the City of Manila, August 6, 1984.

"SUNRIPE COCONUT PRODUCTS, INC.,
represented by:

(Sgd.) Illegible
FRANCISCO CHUA
President & General Manager

THE REPUBLIC OF THE PHILIPPINES,
represented by:

(Sgd.) Illegible
JAIME C. LAYA
Minister of Education and Culture

ASSISTED BY:

(Sgd.) Illegible
PEDRO S. RAVELO

(Sgd.) Estelito P. Mendoza
ESTELITO P. MENDOZA
Solicitor General

(Sgd.) Illegible
RAMON A. BARCELONA
Assistant Solicitor General

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"Copy furnished:

Atty. Isaac Arribas
Counsel for Petitioner-Intervenor
(G.R. L-47420)
1016 Dos Castillas, Sampaloc
Metro Manila

EMC: ver: aru"

(Sgd.) Eulogia M. Cueva
EULOGIA M. CUEVA
Solicitor

Said compromise agreement is approved. Judgment is rendered in accordance therewith. No costs.

SO ORDERED.

Makasiar (Chairman), Concepcion Jr., Abad Santos, Escolin, and *Cuevas, JJ.*, concur.

EN BANC

[G.R. No. 51858. January 31, 1985]

THE PEOPLE OF THE PHILIPPINES, *plaintiff-appellee, vs.* RICARDO CABRERA and LORETO SIPE, *accused.* RICARDO CABRERA, *accused whose death sentence is under review.*

SYLLABUS

1. **REMEDIAL LAW; EVIDENCE; CONFESSION EXTRACTED BY FORCE AND VIOLENCE, INADMISSIBLE.—** The question then arises as to whether the injuries described were inflicted before or after APPELLANT's confessions were taken. The prosecution would have us believe that it was after and that the injuries had no bearing to those confessions. However, no proof has been submitted to substantiate the same. We are also faced with the following considerations. The crime was committed on September 16, 1972. APPELLANT was