

THIRD DIVISION

[G.R. No. 191561, March 07, 2011]

BANK OF COMMERCE, PETITIONER, VS. GOODMAN FIELDER INTERNATIONAL PHILIPPINES, INC. RESPONDENT.

DECISION

CARPIO MORALES, J.:

Goodman Fielder International Philippines, Inc. (respondent), a corporation duly registered and existing under the laws of the Republic of the Philippines, is engaged in marketing of fats and oil shortening.^[1]

Keraj Marketing Company (Keraj), represented by its purported owner Sunil K. Amarnani (Amarnani), sought a distributorship agreement from respondent. As a pre-requisite to respondent's consent, a credit line/bank guaranty in the amount of P500,000.00 was required from Keraj. Amarnani thus applied for a credit line/bank guaranty with the Bacolod branch of Bank of Commerce (petitioner).

Pending submission of the required documents for processing and approval of the credit line, Amarnani, by letter of August 21, 2000, ^[2] requested the issuance of a conditional certification from petitioner's branch manager Eli Aragon (Aragon) in this wise:

Earlier I mentioned that one of my big suppliers is Goodman Fielder International where I get my baking supplies.

They are requiring from me a certification issued by my bank that I am arranging for a credit line with my bank to be used if I cannot pay them. Please tell me the requirements for the credit line so I can apply. **All I need is a conditional certification that I am arranging for a credit line from our bank. I will prepare the necessary documents you mentioned to me in your letter.**

I can offer you a property here in Bacolod as collateral for said credit line application.

Please advi[s]e. (emphasis, italics and underscoring supplied)

Replying to Amarnani's request, Aragon sent respondent a letter of August 23, 2000^[3] reading:

Gentlemen:

At the request of our client, KERAJ MARKETING COMPANY with postal address at Door No. 2 Goldenfields Commercial Complex, Singcang, Bacolod City, we are pleased to inform you that said Corporation has arranged for a credit line in the amount of FIVE HUNDRED THOUSAND PESOS ONLY (P500,000.00), subject to the compliance by said client of the policies, terms and conditions imposed by the bank on said credit line. The said credit line will be used exclusively for settling any obligations of our client, KERAJ MARKETING COMPANY (sic), against your company.

This certification is issued at the request of the client for whatever legal purpose it may serve them best. (emphasis and underscoring supplied)

On October 2, 2000, respondent and Keraj entered into a Distributorship Agreement.

Aragon subsequently issued a similar letter (dated October 18, 2000^[4]) in favor of Bacolod RK Distributors and Co., (Bacolod RK), an entity also allegedly owned by Amarnani, attesting to the arrangement by Keraj for a credit line in the amount of P2,000,000.00, to be utilized for the settlement of Keraj's accounts with respondent.

Both letters of Aragon contain a "check write" on the left side indicating the amount applied for as credit line. Keraj and Bacolod RK did not pursue their application for a credit line, however, despite follow-up advice from petitioner.

A year later, respondent informed petitioner, by letter of October 24, 2001,^[5] its intent to claim against the bank guaranty issued to settle Keraj and Bacolod RK's unpaid accounts. By another letter dated November 20, 2001,^[6] respondent advised petitioner its intent to collect the amount of P1,817,691.30 representing Keraj and Bacolod RK's unpaid obligations.

Negotiations for the settlement of Keraj and Bacolod RK's obligations having failed, respondent filed a complaint for collection of sum of money against Keraj, Amarnani, Bacolod RK, and petitioner and its manager Aragon before the Regional Trial Court (RTC) of Pasig.

In defense, petitioner and Aragon claimed that the letters merely certified that Keraj and Bacolod RK applied for the issuance of a bank guaranty, but no actual bank guaranty was approved, both companies having failed to present the required documents for processing the application.

Bacolod RK, on the other hand, denied any involvement in the transaction between Keraj and respondent.

Only petitioner presented evidence.