

FIRST DIVISION

[G.R. No. 160395, May 07, 2008]

**LAND BANK OF THE PHILIPPINES , Petitioner, vs. PLANTERS
DEVELOPMENT BANK, Respondent.**

R E S O L U T I O N

CARPIO, J.:

The Case

Before the Court is a petition for review^[1] assailing the Resolutions promulgated on 28 March 2003^[2] and 13 October 2003^[3] of the Court of Appeals in CA-G.R. CV No. 74913.

The Antecedent Facts

Planters Development Bank (respondent) acquired from foreclosure proceedings two parcels of land located in Salaza, Palauig, Zambales. The two parcels of land, with an area of 23.7886 hectares and 32.5234 hectares, respectively, are covered by Transfer Certificate of Title (TCT) No. T-28061 (now TCT No. T-38758) and No. T-28064 (now TCT No. T-38760), respectively.

In 1991, the Department of Agrarian Reform (DAR) placed the land under compulsory coverage of Republic Act No. 6657^[4] (RA 6657), covering 11 hectares from the area covered by TCT No. T-28061 and 18 hectares from the area covered by TCT No. T-28064. In accordance with DAR rules and regulations implementing RA 6657, Land Bank of the Philippines (petitioner) offered, as just compensation, the amount of P46,280.08^[5] for the area covered by TCT No. T-28061 and P77,315.60^[6] for the area covered by TCT No. T-28064, for the total of P123,595.68. Respondent rejected the offer and informed the DAR Regional Director of its preferred valuation of P2.50 per square meter for the two parcels of land. The DAR Regional Director endorsed the matter to the Regional Agrarian Reform Adjudicator for administrative determination of the valuation of the land. The DAR Regional Director notified petitioner to open a trust account in the name of respondent to receive the amount representing DAR and petitioner's valuation of the land. The Department of Agrarian Reform Adjudication Board (DARAB) ordered petitioner to conduct a re-computation or re-valuation of the land in accordance with DAR administrative regulations.

Respondent questioned the valuation and filed an action for Judicial Determination of Just Compensation against the DARAB, the DAR Provincial Adjudicator, and petitioner on the ground that the standards under RA 6657 were not followed in the re-computation. The case was docketed as Spl. Agrarian Case No. RTC-49-I. The DARAB, DAR Provincial Adjudicator, and petitioner failed to file their pre-trial briefs

and were declared as in default. The trial court allowed respondent to present its evidence ex-parte.

The Ruling of the Trial Court

In its 11 December 2001 Decision,^[7] the Regional Trial Court of Iba, Zambales, Branch 70 (trial court) ruled that the valuation made by DARAB and petitioner was baseless and prejudicial to the best interest of respondent. The dispositive portion of the trial court's Decision reads:

WHEREFORE, in view of the undisputed testimonies of the witnesses, which this Court finds justified and reasonable based on certain factors such as the selling price of neighboring properties and the 1994 Assessor's schedule of values of agricultural lands in Palauig, Zambales, judgment is hereby rendered:

- a) Setting aside the valuation made by the DAR and the Land Bank of the Philippines of the lands described in TCT No. T-28061 (now T-38758) and T-28064 (now T-38760) which are acquired by the DAR under a compulsory process of acquisition;
- b) Setting aside the decisions or resolutions of the Department of Agrarian Reform Adjudication Board (DARAB) which were based on the valuation made by the Land Bank of the Philippines;
- c) Fixing the valuation of the expropriated portions at P2.50 per square meter based on the current fair market value.

SO ORDERED.^[8]

Petitioner filed a motion for reconsideration. In its Order dated 28 February 2002,^[9] the trial court denied the motion.

Petitioner filed a notice of appeal.

The Ruling of the Court of Appeals

In its 28 March 2003 Resolution, the Court of Appeals dismissed the appeal for petitioner's failure to file its brief. The Court of Appeals ruled that petitioner had already been granted three extensions for a total of 120 days to file its brief and denied its motion for another extension of ten days.

Petitioner filed a motion for reconsideration alleging that it has clearly meritorious grounds and that the extension sought was due to "severe shortage of lawyers in the CARP Legal Services Department, which cannot be remedied with utmost dispatch on account of procedural and budgetary constraints in governmental institutions."

In its 13 October 2003 Resolution, the Court of Appeals denied the motion for lack of merit.

Hence, the petition before this Court.