

SC stops Iligan from taking National Steel plant assets

THE Supreme Court (SC) has ordered the Iligan City government to stop its control and ownership over National Steel Corp.'s plant assets and land.

In an 18-page decision on July 20 and made public on Oct. 21, the SC Third Division said Iligan City went against a Makati regional trial court (RTC) ruling when it took over the firm's plant assets.

"Considering all the circumstances, the court holds the levy and the tax delinquency sale of the subject plant assets as invalid having been conducted in defiance of the RTC Makati decision which ordered the respondents to clear the petitioner (National Steel) of its real property tax liabilities," according to the ruling penned by Associate Justice Henri Jean Paul B. Inting.

Plant assets are long-term fixed assets that are used to generate sales for a corporation.

The Makati trial court in 2011 ruled that the sale of the firm's assets was void since the local government unit did not clear the firm's tax liabilities after it complied with the tax amnesty agreement.

The Court of Appeals had ruled that the Makati court did not have jurisdiction over the case. The appellate court then modified its ruling and upheld the finality of the trial court's decision to void the sale of the plant assets.

In 2016, the city government still included National Steel in the list of delinquent real property taxpayers and proceeded to levy its plant assets.

The assets were forfeited in favor of the city government since there were no other bidders for them, which led to National Steel filing its complaints to the Makati court.

National Steel went bankrupt in 2000, prompting the Securities and Exchange Commission to order the firm's liquidation.

In 2004, the city government provided tax relief to delinquent real property taxpayers, which included National Steel.

National Steel also entered into a tax amnesty agreement with Iligan City on Oct. 13, 2004, where the firm agreed to pay its real property tax liabilities amounting to P177.53 million in eight annual installments of P22.19 million from 2004 until 2012, with 2005 being a grace period.

The firm then sold its plant assets to Global Steelworks International, Inc. through an asset purchase agreement. The deal involved National Steel agreeing to pay and settle its tax liabilities over the plant assets up to Oct. 14, 2004. Global Steel agreed to assume the taxes over the plant assets on Oct. 15, 2004.

The city government issued receipts acknowledging payments made by the firm on Dec. 18, 2008, and acknowledged its full compliance with the schedule of payments on Feb. 23, 2009.

The High Court noted that it will not award the plant assets to National Steel since the firm has an existing agreement with Global Steel.

"In as much as the right of the city government of Iligan to possess and own the plant assets proceeded from a void tax delinquency sale, it is commanded to desist from further possessing and exercising acts of ownership over the plant assets," it said. — **John Victor D. Ordoñez**

Wilcon net profit jumps nearly 78% to P1.1 billion as sales rise

CONSTRUCTION supplies retailer Wilcon Depot, Inc. had a 77.5% jump in its third-quarter income to P1.1 billion after booking higher sales and improved gross profit margin.

"The complete turnaround of our stores from the slight slump in the third quarter of last year, propelled comparable sales growth to 23.5% year on year," Wilcon President and Chief Executive Officer Lorraine Belo-Cincochan said in a press release on Tuesday.

According to Ms. Belo-Cincochan, Wilcon has seen in the past quarter the reopening it hoped to happen last year that was dampened by the surge of the Delta variant of the coronavirus disease.

"A lot more private construction has indeed resumed this year, particularly those that were

delayed due to mobility restrictions and lack of manpower, inflation notwithstanding," she added.

In the third quarter, the company's net sales reached P8.78 billion, a 32.6% climb from P6.62 billion last year, which the company attributed to the recovery of its stores in Metro Manila as well as to its new stores.

During the quarter, Wilcon added four new stores, which brought its total store count to 80 by the end of September.

"We also still have one new store to be opened this fourth quarter and we expect to have opened eight stores by the end of this year," Ms. Belo-Cincochan said.

Wilcon reported that its gross profit increased by 37.4% to P3.46 billion driven by the rise

in its gross profit margin rate to 39.4% from 38% in 2021.

The company booked a higher cost of sales in the third quarter at P5.32 billion, up 29.7% versus P4.1 billion last year.

Its operating expenses also climbed by 19.3% to P1.98 billion from P1.66 billion, which the company said was a result of a higher volume of business.

The company's other income in the three months ended September totaled P144.96 million, a 57% jump from the P92.3 million last year.

Wilcon's other income came from supplier support and other fees, delivery fees and other customer charges, rent, interest income, and foreign exchange gain.

In the nine months to September, Wilcon's net income

amounted to P2.96 billion, 58.3% higher than the P1.87 billion in the previous year driven by a higher volume of business amid eased mobility restrictions.

Year to date, the company's net sales climbed by 23.3% to P24.72 billion from P20.05 billion last year, while its cost of sales climbed by 19.7% to P15.11 billion from P12.62 billion a year ago.

"With the resilience shown by our mature stores, we will focus on further enhancing their performance for the rest of the year and especially for the succeeding years," Ms. Belo-Cincochan said.

On the stock market on Tuesday, shares of Wilcon climbed by 50 centavos or 1.75% to P29 each. — **Justine Irish D. Table**

Globe plans 235 cell sites in BARMM; Converge expands fiber footprint

GLOBE TELECOM, Inc. on Tuesday said it targets to install 235 new cell sites in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) by the end of 2022.

"So far, [Globe] has fired up 130 new cell sites and is currently upgrading the capacity of 175 4G (fourth-generation) towers," the company said in an e-mailed statement.

Globe noted that it has also laid down 19,000 fiber-to-the-home lines out of the 25,376 year-end target.

The company aims to address "common government pain points for greater transparency and efficiency," it said.

Such concerns, according to Globe, include the absence of an organized voice network, a centralized internet connection, a

formal email system, and a standard service level and monitoring.

William Brian Arnaiz, Globe Business Operations Transformation manager for Visayas and Mindanao, said: "To rapidly innovate and deliver new value propositions, and keep pace with constant technological-fueled change, organizations that are not digitally native need to embark on a journey of digital transformation."

CONVERGE ICT

Meanwhile, Converge ICT Solutions, Inc. said it has expanded its fiber footprint to nearly 600,000 kilometers by end-September.

"This consists of its subsea, aerial, and terrestrial fiber optic cable network that covers the northernmost tip in Luzon to islands

in Visayas and Mindanao," the company said in an e-mailed statement.

According to Converge Chief Executive Officer and Co-Founder Dennis Anthony H. Uy, the company continues its aggressive investments to expand its fiber footprint in more areas in the country.

The goal is "to ensure internet access to more Filipinos," he noted. "Fulfilling our commitment to reach the unserved and underserved, we are continuously expanding and strengthening our fiber network to serve the strong demand for reliable and accessible internet."

The company reported recently that it had laid out more than 600,000 fiber ports in Visayas and Mindanao as of end-July, which was twice of its previous 300,000 ports rolled out by the end of 2021. — **Arjay L. Balinbin**

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