

**GENARO O. ARANDILLA, JR., PETITIONER, VS. MAGUINDANAO
ELECTRIC COOPERATIVE, INC. (MAGELCO), ITS BOARD OF
DIRECTORS, REPRESENTED BY BAI LUCY C. SINSUAT, PERFECTO F.
RAAGAS, JR., ...**

G.R. No. 157329. July 28, 2005

Ponente: SANDOVAL-GUTIERREZ, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-157329/>

SANDOVAL-GUTIERREZ, J.:

For resolution is the petition for review on certiorari under Rule 45 of the 1997 Rules of Civil Procedure, as amended, assailing the Decision[1] dated July 31, 2002 and the Resolution[2] dated January 31, 2003 rendered by the Court of Appeals in CA-G.R. SP No. 68717, entitled "Genaro O. Arandilla, Jr. vs. National Labor Relations Commission, 5th Division, Cagayan de Oro City, represented by its Presiding Commissioner Salic B. Dumarpa, Commissioner Oscar N. Abella and Commissioner Leon G. Gonzaga, Jr., Maguindanao Electric Cooperative, Inc. (MAGELCO), its Board of Directors, represented by Bai Lucy C. Sinsuat, Perfecto F. Raagas, Jr., Emilio A. Andamen, Sr., Datu Kusin T. Mama, Jimmy A. Fullecido, Datu Akmad A. Ampatuan, H. Abdullah M. Lidasan, H. Omar Ibrahim, Posidio G. Hisole, Atty. George Jabido, and Hernane D. Gravina, Jr., and Engr. Lauro L. Baltazar, also in his capacity as the Regional Electrification Director, Region XII of the National Electrification Administration."

Records show that sometime in March, 1977, Genaro O. Arandilla, Jr., petitioner, was employed by the Maguindanao Electric Cooperative, Inc. (MAGELCO), respondent, as a construction worker groundman. Eventually, he was promoted as general manager with a monthly salary of P34,451.00.

Sometime in March, 1990, respondent MAGELCO received a complaint from its department managers, auditors and line supervisor reporting that petitioner, during the sale of respondent's industrial demand meter, accepted PP10,000.00 from Paraoan Rice Mill; that he disposed of, without approval by respondent's Board of Directors, eight (8) drums of used transformer oil; that he paid for poles which were not delivered; and that he did not comply with respondent's purchasing procedures.

Acting thereon, respondent, through an Ad Hoc Committee, conducted an investigation and thereafter recommended his suspension for 45 days. Later, the Committee, via Resolution No. 149, Series of 1990, endorsed its recommendation to the National Electrification Administration (NEA).

Initially, NEA's Administrative Committee issued Administrative Order No. 124, Series of 1994, recommending that petitioner be relieved of his duties as General Manager. When the case was elevated to the Board of Directors of NEA, it issued Resolution No. 36 dated May 21, 1996 merely suspending petitioner for three (3) months considering, among others, his length of service for more than 22 years.

Respondent's Board of Directors refused to comply with NEA's Resolution No. 36 because pursuant to NEA Bulletin No. 2, the suspension of the General Manager is not within the powers of the NEA. Respondent, as

General Manager, is not its employee.

Petitioner filed a motion for reconsideration of NEA's Resolution No. 36 but it was denied.

Meantime, NEA proceeded with its management and financial audit of respondent MAGELCO's finances and then submitted to respondent its initial report along with SGV's confidential report. The reports confirmed that the offenses committed by petitioner are inimical and prejudicial to the best interest and welfare of respondent MAGELCO considering that his acts endangered its funds and properties. This prompted respondent, through its president, to send petitioner a letter directing him to submit a written explanation within 72 hours. But he failed to comply.

Subsequently, 107 employees of respondent filed an administrative complaint against petitioner praying that he be dismissed from the service.

During the administrative proceeding against petitioner, or on July 30, 1999, respondent's Board of Directors issued Resolution No. 66 (a) terminating his services.

Aggrieved, petitioner filed with the Regional Arbitration Branch No. XII at Cotabato City a complaint against respondent for illegal dismissal and payment of wages, damages and attorney's fees, docketed as RAB Case No. 12-08-00082-99. Impleaded also as party respondents were Bai Lucy C. Sinsuat, Perfecto F. Raagas, Jr., Emilio A. Andamen, Sr., Datu Kusin T. Mama, Jimmy A. Fullecido, Datu Akmad A. Ampatuan, H. Abdullah M. Lidasan, H. Omar Ibrahim, Posidio G. Hisole, Atty. George Jabido, and Hernane D. Gravina, Jr., respondent's Board of Directors, and Engr. Lauro L. Baltazar, NEA's Regional Electrification Director.

On December 11, 1999, the Labor Arbiter rendered a Decision dismissing petitioner's complaint after finding that he was not illegally dismissed from the service.

Upon appeal, the National Labor Relations Commission (NLRC) rendered a Decision dated October 31, 2000 reversing the Arbiter's assailed Decision and finding that he was illegally dismissed. The NLRC directed respondents to reinstate petitioner to his former position and if reinstatement is not feasible, to pay him his termination pay, thus:

"WHEREFORE, in light of the foregoing, the decision of the Executive Labor Arbiter in question is hereby REVERSED and SET ASIDE. In lieu thereof, a new decision is hereby rendered directing the immediate REINSTATEMENT of the complainant to his former position, without loss of seniority rights and with full backwages from the time it is withheld from him up to the time of his reinstatement or the finality of this decision, as the case may be; and in the event reinstatement is not feasible, to pay complainant his termination pay equivalent to one (1) month salary for every year of service, a fraction of six months considered one year.

x x x x x

SO ORDERED."

Upon receipt of a copy of the above Resolution on November 27, 2000, respondents filed with the NLRC a "Compliance" dated January 26, 2001 stating that they agreed with the Resolution giving them the "option to pay" petitioner his separation pay instead of reinstating him to his former position.

For his part, petitioner filed a motion for clarification and reconsideration. Respondents opposed the motion, alleging that reinstatement is no longer feasible due to the total loss of trust and confidence in him by a majority of the members of respondent's Board of Directors.

On February 9, 2001, the NLRC issued a Resolution clarifying its previous Resolution of October 31, 2000 and directing respondents to immediately reinstate petitioner to his former position. The NLRC found that no strained

relation exists between the parties.

Respondents then filed a motion for reconsideration. Acting thereon, the NLRC issued its assailed Resolution dated April 26, 2001 reversing and setting aside its February 9, 2001 Resolution and directing respondents to pay petitioner his separation pay in lieu of reinstatement, thus:

"WHEREFORE, the above resolution dated February 9, 2001 is REVERSED and SET ASIDE. In lieu thereof, a new judgment is rendered directing respondents to pay complainant his separation pay, in lieu of reinstatement, equivalent to one (1) month pay for every year of service with full backwages from the time he was dismissed until the issuance of such Board resolution, the date when the reinstatement of complainant was no longer feasible or impractical.

SO ORDERED."

On May 17, 2001, petitioner filed a motion for reconsideration, but it was denied by the NLRC in a Resolution dated October 11, 2001. This prompted petitioner to file with the Court of Appeals a petition for certiorari, docketed as CA G.R. SP No. 68717. In the main, he alleged that the NLRC committed grave abuse of discretion in issuing Resolutions dated April 26 and October 11, 2001 directing respondents to pay him his separation pay instead of reinstatement, thus modifying its Resolution of October 31, 2000 which has become final.

On July 31, 2002, the Court of Appeals rendered a Decision affirming the assailed Resolutions of the NLRC, holding that the NLRC's Resolution dated October 31, 2000 giving respondents the option to reinstate petitioner as General Manager or pay him his separation pay has not become final. Consequently, it may still be modified by subsequent Resolutions, now being challenged by petitioner.

Petitioner filed a motion for reconsideration but it was denied.

Hence, the instant petition. Petitioner contends that the Court of Appeals erred: (1) in failing to consider that the NLRC can no longer issue the assailed Resolutions dated April 26 and October 11, 2001 because it has lost its jurisdiction over the case when its Resolution dated October 31, 2000 became final and executory; and (2) in sustaining the questioned NLRC Resolutions directing respondents to pay petitioner his separation pay instead of reinstating him to the service.

Actually, petitioner is insisting that he be reinstated as General Manager. Thus, when the NLRC issued its Resolution dated October 31, 2000 directing respondents to reinstate him and if reinstatement is not feasible, to pay him his separation pay, petitioner was aghast. He then filed a motion for clarification and reconsideration. When the NLRC, in its Resolution dated February 9, 2001, granted his motion and directed the respondents to reinstate him as there is no strained relation between them, he was obviously overwhelmed with satisfaction. But then came the NLRC's assailed Resolutions ordering respondents to pay him his separation pay as reinstatement is no longer feasible.

The issue for our resolution is whether the NLRC could still modify its Resolution of October 31, 2000 giving respondents the option to reinstate petitioner to the service or pay him his separation pay. It bears reiterating that both assailed Resolutions dated April 26 and October 11, 2001 modifying the Resolution of October 31, 2000, directed respondents to pay petitioner his separation pay, not to reinstate him.

We agree with the Court of Appeals that the NLRC Resolution dated October 31, 2000 was not yet final and executory when the NLRC issued the challenged Resolutions.

It bears stressing that as regards respondents, the NLRC's Resolution dated October 31, 2000 became final and executory when they did not file a motion for reconsideration within the ten-day reglementary period.[3]

However, as correctly ruled by the Appellate Court, insofar as petitioner is concerned, the said Resolution did not attain finality as he still had the right to file a motion for reconsideration. In fact, he seasonably filed his motion for clarification and reconsideration.

In fine, we hold that the Court of Appeals did not err in ruling that the NLRC did not gravely abuse its discretion in rendering the assailed Resolutions dated April 26 and October 11, 2001.

WHEREFORE, the petition is DENIED. The assailed Decision dated July 31, 2002 and Resolution dated January 31, 2003 of the Court of Appeals in CA-G.R. SP No. 68717 are AFFIRMED. Costs against petitioner.
SO ORDERED.

Panganiban, Corona, Carpio-Morales, and Garcia, JJ., concur.

[1] Penned by Justice Romeo J. Callejo, Sr., now a member of this Court, and concurred in by Justice Remedios Salazar-Fernando and Justice Danilo B. Pine. Annex "A", Petition for Review, Rollo at 30-42.

[2] Annex "B", Ibid, Rollo at 43-44.

[3] In *Association of Trade Union vs. Abella* (323 SCRA 50 [2000]), we held that "without a motion for reconsideration seasonably filed within the ten-day reglementary period, the questioned decision of the public respondent becomes final and executory, after ten (10) days from receipt thereof."

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.