

**M. RAMIREZ INDUSTRIES AND/OR MANNY RAMIREZ, PETITIONER,
VS. THE HONORABLE SECRETARY OF LABOR AND EMPLOYMENT
AND CAROLYN ALFONSO, WILLIAM DE LA TORRE, RODULFO
CANDIA, CLARISSA HE...**

G.R. No. 89894. January 03, 1997

Ponente: MENDOZA, J.

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MENDOZA, J.:

This is a petition for certiorari to set aside the orders of the Secretary of Labor and Employment, dated May 12, 1989 and August 22, 1989, affirming the order of the Director of the Regional Office No. VII of the Department of Labor in Cebu City, granting the claims for salary differentials and emergency cost of living allowances (ECOLAs) of private respondents in the total amount of P430,901.75.

The facts are as follows:

Petitioner M. Ramirez Industries is a single proprietorship in Tungkop, Minglanilla, Cebu. It is engaged in the manufacture of handmade rattan baskets for export abroad, principally to Japan, and has in its employ from 400 to 500 employees.[1]

On April 1, 1986, Carolyn Alfonso and 260 other employees filed a complaint with the Regional Office No. VII of the Department of Labor in Cebu City, alleging non-payment of minimum wage, living allowances and non-compliance with other labor standard laws against M. Ramirez Industries and/or Manny Ramirez, its proprietor.[2]

Accordingly, an inspection was conducted in the company premises on the same day by Labor Standard Officer Juanito Yallosa.[3] After verifying the allegations of the complaint, the case was docketed as LSED Case No. 028-86. Meantime it appears that private respondents stopped working on April 8, 1986.[4]

On April 11, 1986, petitioner filed an ex parte motion to dismiss the case alleging voluntary desistance by private respondents. Attached to the motion was a letter, signed by 215 employees, affirming their decision to desist from proceeding with their claim against petitioner.[5]

The motion was set for conference on May 7, 1986. Both petitioner and private respondents were notified,[6] but only private respondents appeared. Private respondents opposed the motion on the ground that they were not signatories to the letter of affirmation supporting the motion to dismiss.[7]

The Regional Director denied petitioner's motion in an order dated May 22, 1986, after finding that 90 per cent of the signatures in the letter were not those of the complainants,[8] while complainants, whose signatures appeared in the letters, had been deceived into signing the letters.

On June 11, 1986, petitioner filed a motion to remand the case to the National Labor Relations Commission, contending that the matter was outside the jurisdiction of the Regional Director.[9] Without acting on the motion,

the Regional Director on July 18, 1986 ordered petitioner to pay private respondents the total amount of P430,901.75. The dispositive portion of the order reads:

WHEREFORE, premises considered, respondent M. RAMIREZ INDUSTRIES AND/OR MR. MANNY (MANUEL) RAMIREZ is hereby ordered to pay the complainants claim in the aggregate amount of FOUR HUNDRED THIRTY THOUSAND NINE HUNDRED ONE AND 75/100 (P430,901.75), PHILIPPINE CURRENCY, within ten (10) days from the receipt hereof, and distributed as follows: Names of complainants who worked from January to April 8, 1986 with their corresponding differentials:

1. William Dela Torre

P1,748.00

2. Rodolfo Candia

P1,702.00

3. Clarissa Hermosa

P1,633.00

4. Gina Cabigas

P1,702.00

5. Elizabeth Endrina

P1,702.00

6. Orlando Seguerra

P1,748.00

7. Rodeo Seguerra

P1,672.00

8. Joselito de la Torre

P1,540.00

9. Ma. Theresa de la Riarte

P1,610.00

10. Luisa de la Riarte

P1,628.00

11. Mario Mancao

P1,540.00

12. Rex Deiparine

P1,540.00

13. Paulino Villaver

P1,540.00

14. Rogelio Paran

P1,540.00

15. Lucila Cañezares

P1,633.00

16. Roberta dela Torre

P1,633.00

17. Juanita dela Torre

P1,633.00

18. Susan Villaver

P1,628.00

19. Edwin Bacus

P1,544.00

20. Diores Labajo

P1,518.00

21. Rolando Remulino

P1,738.00

22. Elvis Mahipos

P1,738.00

23. Raulito Patatag

P1,738.00

24. Ofelia Villaver

P1,628.00

25. Emelia Mancao

P1,628.00

26. Eddie Romares

P1,518.00

27. Florian de Ocampo

P1,518.00

28. Leonardo Villarta

P1,496.00

29. Guadalupe Belleza

P1,496.00

30. Ma. Theresa Pacaña

P1,496.00

31. Tomasa Mancia

P1,738.00

32. Irene Mancia

P1,738.00

33. Jose Toroy, Jr.

P1,496.00

34. Maribel Bulabus

P1,738.00

35. Cabriel Repuno

P1,564.00

36. Rodrigo Segueria

P1,518.00

37. Alex Heruela

P1,288.00

38. Emie Barcoma

P1,232.00

39. Francisco Nebria, Jr.

P1,771.00

40. Anicita Delima

P1,702.00

41. Catherine de la Victoria

P1,679.00

42. Rizalina Cabalan

P1,679.00

43. Teresito Bontilao

P1,679.00

44. Alln Abella

P1,679.00

45. Floriana Roska

P1,472.00

46. Justino Manacio

P1,472.00

47. Rizalino Labajo

P1,679.00

48. Denni Labajo

P1,288.00

49. Arturo Fernandez

P1,587.00

50. Rogelia Belleza

P1,587.00

51. Dominga Canono

P1,628.00

52. Janeth Fajardo

P1,472.00

53. Raqueliza Bacus

P1,650.00

54. Felipe Berenguel

P1,050.00

55. Joelito Repuno

P1,311.00

56. Raymundo Capala

P1,403.00

57. Ronie Zafra

P1,610.00

58. Rod Delima

P1,403.00

59. Berna Obejero

P1,403.00

60. Ludy Ravanez

P1,403.00

61. Melit Lee

P1,541.00

62. Leonora Rico

P1,495.00

63. Perigrina Tirol

P1,587.00

64. J. Gondaban

P1,541.00

65. Francisco Lariosa

P1,564.00

66. Emilito Sensontic

P1,564.00

67. Napoleon Dablo, Jr.

P1,656.00

68. Teresita Palangco

P1,748.00

69. Hanoria Caballero

P1,748.00

70. Leopoldo Lebradilla

P1,748.00

71. Romeo Genguyon

P1,748.00

72. Melvin Jerali

P1,748.00

73. Erning Zafra

P1,748.00

74. Edna Abad

P1,748.00

75. Miraluna Tecson

P1,748.00

76. Lorna del Rosario

P1,541.00

77. Wilfredo Rival

P1,679.00

78. Lydia Filomeno

P1,541.00

79. Susana Meredoras

P1,541.00

80. Nemesia Campo

P1,541.00

81. Juditha Abellana

P1,541.00

82. Marvin Togonon

P1,541.00

83. Constantino Cañon

P1,541.00

84. Beatriz Ylanan

P1,541.00

85. Santiago Deiparine

P1,426.00

86. Teresita Vernaiz

P1,426.00

87. Rebecca Mercado

P1,380.00

88. Elizabeth delos Reyes

P1,472.00

89. Aileen Lopez

P1,426.00

90. Manuela Bucao

P1,403.00

91. Wenceslao dela Torre

P1,403.00

92. Ramil Bacalso

P2,433.75

93. Edgar Espina

P2,433.75

94. Renato Bacalso

P2,433.75

95. Francisco Cerneño

P2,433.75

96. Carmelito Paquet

P2,433.75

97. Ricardo Sabellano

P2,433.75

98. Enrique Gonzales, Jr.

P2,433.75

99. Teodulo Tardin

P2,433.75

100. Wilfredo Canono

P2,433.75

101. Edward Abellana

P2,433.75

102. Sismar Ufil

	P2,433.75
103. Talandron Cording	
	P2,433.75
104. Pepe Cereño	
	P2,433.75
105. Dario Zafra	
	P1,564.00
106. Felicisima Sequisnar	
	P1,518.00
107. Jovencio Basalo	
	P1,679.00
108. Sulpicio Malerong	
	P1,679.00
109. Mercedita Ravanes	
	P1,679.00
110. Maximo Zafra	
	P1,679.00
111. Elizabeth Cabiles	
	P1,472.00
112. Narciso Sadaya	
	P1,633.00
113. Leonila Alfante	
	P1,679.00
114. Carina Polinga	
	P1,679.00
115. Edwin Abiso	

P1,679.00

116. Diomedes Baricuatro

P1,679.00

117. Juditho Deguma

P1,679.00

118. Felixberto Basalo

P1,679.00

119. Nelson Bacalso

P1,679.00

120. Criscencio Echavez

P1,679.00

121. Achilles Teleron

P1,679.00

122. Jaime Java

P1,679.00

123. Eddie Muralem

P1,679.00

124. Rolando Meñoza

P1,679.00

125. Jorge Abiso

P1,679.00

126. Marissa Sellote

P1,127.00

127. Myrna Ubas

P1,518.00

128. Matias Alferez

	P1,633.00
129. Arlene Selloria	
	P1,518.00
130. Celestino Abellar	
	P1,656.00
131. Eduriges Abellar	
	P1,656.00
132. Teodora Villamea	
	P1,656.00
133. Elena Villamea	
	P1,521.00
134. Nicolas Alivo	
	P1,656.00
135. Henry Diosmano	
	P1,656.00
136. Marites Sabellon	
	P1,679.00
137. Romeo Nacario	
	P1,656.00
138. Crescensio Alfante	
	P1,633.00
139. Dionisio Segue	
	P1,408.00
140. Felipa Alferes	
	P1,679.00
141. Judy Hermida	

	P1,679.00
142. Marcial Vilarmeas	
	P1,679.00
143. Alejandro Pancho	
	P1,606.00
144. Joselito Meñoza	
	P1,679.00
145. Oswald Hilwano	
	P1,679.00
146. Randy Selloria	
	P1,679.00
147. Heracleo Ravanes	
	P1,679.00
148. Nelson Oralde	
	P1,320.00
149. Teodoro Alforque	
	P1,320.00
150. Bernardino Cariz	
	P1,540.00
151. Zosimo Saz	
	P1,320.00
152. Luis Obatog	
	P1,470.00
153. Samuel Cania	
	P1,320.00
154. Joel Abalo	

	P1,518.00
155. Andres Quitara	
	P1,518.00
156. Crispin Sabellano	
	P1,320.00
157. Ben Abarquez	
	P1,320.00
158. Roberto Canoneo	
	P1,617.00
159. Fedilito Pardillo	
	P1,837.50
160. Modesto Paquit	
	P1,606.00
161. Ramon Natad, Jr.	
	P1,637.50
162. Thomas Enghog	
	P1,690.50
163. Felomina Bacarro	
	P1,837.50
164. Christina Mañacap	
	P1,837.50
165. Paz Algoson	
	P1,666.00
166. Leo Fernandez	
	P1,666.00
167. Luisa Cavalida	

P1,666.00

168. Adelina Tumulac

P1,666.00

169. Elesito Abiso

P1,837.50

170. Helditha Baricuatro

P1,837.50

171. Julie Baricuatro

P1,837.50

172. Ma. Socorro Calledo

P1,837.50

173. Judita Basalo

P1,837.50

174. Roger Borja

P1,462.50

175. Elizabeth Pasibug

P1,690.50

176. Limberto Aller

P1,690.50

177. Hipolita Bacarro

P1,837.50

178. Jovita Aller

P1,690.50

179. Adolfo Sayson

P1,690.50

180. Brenda Borja

	P1,679.00
181. Thelma Alforque	
	P1,788.50
182. Juvy Repollo	
	P1,788.50
183. Dario Alforque	
	P1,788.50
184. Gina Alicabo	
	P1,788.50
185. Wenona Repollo	
	P1,788.50
186. Chona Alferez	
	P1,788.50
187. Virginia Labang	
	P1,679.00
188. Fortunata Cruda	
	P1,788.50
189. Crescencia Tagalog	
	P1,679.00
190. Francisca Borja	
	P1,788.50
191. Nestor Basalang	
	P1,788.50
192. Dominadar Basalan	
	P1,788.50
193. Danilo Jucoy	

	P1,788.50
194. Alejandro Hermda	
	P1,564.00
195. Carmelito Tapangan	
	P1,564.00
196. Erlando Sagismar	
	P1,564.00
197. Rufino Raga	
	P1,564.00
198. Elesio Malarong	
	P1,748.00
199. Sabino Basalan	
	P1,633.00
200. Cirilo Laput	
	P1,564.00
201. Jose Cabusas	
	P1,035.00
202. Boyette Villaver	
	P1,541.00
203. Carfil Hamila	
	P1,541.00
204. Teodolo Cañada	
	P1,364.00
205. Philip Bonjoc	
	P1,541.00
206. Flordelina Villamor	

	P1,562.00
207. Elizabeth Salomon	
	P1,633.00
208. Manuel Fernandez	
	P1,610.00
209. Roy Abrea	
	P1,610.00
210. Fernando Munalem	
	P1,679.00
211. Nila Cañas	
	P1,679.00
212. Alfonso Caroline	
	P1,656.00
213. Janet Sollano	
	P1,679.00
214. Iren Rivera	
	P1,587.00
215. Munda Baricuatro	
	P1,587.00
216. Vivian Repunte	
	P1,587.00
217. Lorinda Obina	
	P1,656.00
218. Marino Franzkie	
	P1,564.00
219. Narcisa Badaya	

P1,656.00

220. Merlinda Capionese

P1,725.00

221. Cenon Cabaña

P1,702.00

222. Miraflor Paparon

P1,610.00

223. Jorie del Carmen

P1,650.00

224. Jerry Molbog

P1,650.00

225. Cecenia Tapangan

P1,650.00

226. Arsenia Cascuña

P1,650.00

227. Josefina Basalan

P1,739.50

228. Elizabeth Sayson

P1,739.50

229. Dorotea Panilag

P1,739.50

230. Estelita Pasayloon

P1,739.50

231. Claudeth Repollo

P1,702.00

232. Pacita Alfeche

P1,813.00

233. Maria Alfeche

P1,813.00

234. Elizabeth Ubas

P1,739.50

235. Leonida dela Cerna

P1,666.00

236. Marina Adlawan

P1,702.00

237. Mariaflor Abad

P1,650.00

238. Marlyn Sasan

P1,715.00

239. Jun Pacaña

P1,837.50

240. Noel Gulfiano

P1,837.50

241. Ruben Bacalso

P1,837.50

242. Romeo del Carmen

P1,837.50

243. Malou Alcantara

P1,813.00

244. Ricardo Jayro

P1,837.50

245. Camilo Labura

P1,725.00

246. Jaime Tibimina

P1,837.50

247. Jerry Abalayan

P1,837.50

248. Arnie Sanggotan

P1,837.50

249. Conchita Ginodiala

P1,298.00

250. Jose Bonghanoy

P1,430.00

251. Leonardo Saz

P1,650.00

252. Avelino Ragans

P1,628.00

253. Arlene Sebial

P1,298.00

254. Mario Franges

P1,298.00

255. Francisco Bonghanoy

P1,739.50

256. Marivic Navales

P1,813.00

Names of Complainants who worked from February to April 8, 1986 w/ their corresponding differentials:

1. Norma Lapoña

P1,127.00

2. Indolencia Nuñez

P1,127.00

3. Carmelita Cabañero

P1,127.00

4. Lenita Ubas

P1,452.00

Complainant who worked from March to April, 18, 1986 with his corresponding differential:

1. Noel Caintic

P136.00

SO ORDERED.[10]

Petitioner moved for a reconsideration of the Regional Director's order, which was treated as an appeal to the Secretary of Labor and Employment. On May 12, 1989, the Secretary issued an order affirming that of the Regional Director. Petitioner filed a motion for reconsideration, but its motion was denied on August 22, 1989. Hence this petition, assailing the foregoing orders of the Secretary of Labor and Employment on the following grounds:

- (1) The Regional Director has no jurisdiction to take cognizance of this case;
- (2) Petitioner was denied due process; and
- (3) The order of the Regional Director does not state clearly the facts and the law upon which it is based and is not supported by substantial evidence.

With respect to the first ground, petitioner contends that the case falls within the original and exclusive jurisdiction of the Labor Arbiter, citing in support of its contention Art. 217 of the Labor Code, which, before its amendment by R.A. No. 6715 on March 21, 1989, provided:

Art. 217. Jurisdiction of Labor Arbiter and the Commission. (a) The Labor Arbiters shall have the original and exclusive jurisdiction to hear and decide within thirty (30) working days after submission of the case by the parties for decision, the following cases involving all workers, whether agricultural or non-agricultural:

1. Unfair labor practice cases;
2. Those that workers may file involving wages, hours of work and other terms and conditions of employment;
3. All money claims of workers, including those based on non-payment or underpayment of wages, overtime compensation, separation pay and other benefits provided by law or appropriate agreement, except claims for employees' compensation, social security, medicare and maternity benefits;
4. Cases involving household services; and
5. Cases arising from any violation of Article 265 of this Code, including questions involving the legality of strikes and lockouts.

(b) The Commission shall have exclusive appellate jurisdiction over all cases decided by Labor Arbiters.

The contention has no merit. It is true that on April 1, 1986, when this case was filed in the Regional Office, Labor Arbiters had original and exclusive jurisdiction over money claims of laborers pursuant to Art. 217(a)(3) of the Labor Code as quoted above. On March 3, 1987, however, President Corazon C. Aquino, issued E.O. No. 111, conferring jurisdiction over money claims of laborers on Regional Directors, concurrently with Labor Arbiters. In *Briad Agro Dev. Corp. v. Dela Serna*,^[11] this Court, after declaring E.O. No. 111 to be in the nature of a curative statute, gave it retroactive application with respect to claims filed in 1982 and 1987. Then on March 21, 1989, R.A. No. 6715 was enacted, amending the Labor Code so that, so far as pertinent, it now provides:

Art. 129. Recovery of wages, simple money claims and other benefits. - Upon complaint of any interested party, the regional director of the Department of Labor and Employment or any of the duly authorized hearing officers of the Department is empowered, through summary proceeding and after due notice, to hear and decide any matter involving the recovery of wages and other monetary claims and benefits, including legal interest, owing to an employee or person employed in domestic or household service or househelper under this Code, arising from employer-employee relations: Provided, That such complaint does not include a claim for reinstatement: Provided further, that the aggregate money claims of each employee or househelper does not exceed five thousand pesos (P5,000.00). The regional director or hearing officer shall decide or resolve the complaint within thirty (30) calendar days from the date of the filing of the same. Any sum thus recovered on behalf of any employee or househelper pursuant to this Article shall be held in a special deposit account by, and shall be paid on order of, the Secretary of Labor and Employment or the regional director directly to the employee or househelper concerned. . .

Art. 217. Jurisdiction of Labor Arbiters and the Commission. - (a) Except as otherwise provided under this Code the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide, within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of stenographic notes, the following cases involving all workers, whether agricultural or non-agricultural.

. . . .

6. Except claims for Employees Compensation, Social Security, Medicare and maternity benefits, all other claims, arising from employer-employee relations, including those of persons in domestic or household service, involving an amount exceeding five thousand pesos (P5,000.00) regardless or whether accompanied with a claim for reinstatement. . . . (Emphasis added)

Like E.O. No. 111, this amendatory statute was also retroactively applied to cases where the money claims of laborers were filed in 1980,^[12] 1986,^[13] 1987^[14] and 1989,^[15] i.e., long before the enactment of said statute on March 21, 1989. As we have construed the above provisions of the Labor Code, as thus amended, the Regional Director has the power to decide the cases involving money claims of laborers where the following requisites concur: (1) the claim must arise from employer-employee relationship; (2) the claimant does not seek reinstatement; and (3) the aggregate money claim of each employee does not exceed P5,000.00.^[16] On the other hand, if the individual claims of employees exceed P5,000.00 and, even if they do not, if they include claims for reinstatement, the matter falls within the original and exclusive jurisdiction of the Labor Arbiters.

It is not disputed in this case that at the time of the filing of the complaint, private respondents were employees of petitioner and that said relationship gave rise to private respondents' claim for wage differentials. Although no longer employees of petitioner, private respondents do not seek reinstatement and the aggregate money claim of each of them does not exceed P5,000.00. As a matter of fact, the Regional Director's order shows that the aggregate claim of each of the 261 employees involved does not exceed P2,500.00.

Moreover, petitioner is estopped from questioning the jurisdiction of the Regional Director, having previously invoked it by filing a motion to dismiss. As has been held:

[A] party can not invoke the jurisdiction of a court to secure affirmative relief against his opponent and, after obtaining or failing to obtain such relief, repudiate or question that same jurisdiction.

In the case just cited, by way of explaining the rule, it was further said that the question whether the court had jurisdiction either of the subject-matter of the action or of the parties is barred from such conduct not because the judgment or order of the court is valid and conclusive as an adjudication, but for the reason that such a practice can not be tolerated ^¾ obviously for reasons of public policy.

Furthermore, it has also been held that after voluntarily submitting a cause and encountering an adverse decision on the merits, it is too late for the loser to question the jurisdiction or power of the court. . . And in *Littleton vs. Burges*, 16 Wyo, 58, the Court said that it is not right for a party who has affirmed and invoked the jurisdiction of a court in a particular matter to secure an affirmative relief, to afterwards deny that same jurisdiction to escape a penalty.[17]

The Regional Director may not be divested of jurisdiction over these claims, unless the following elements are present:

- (a) that the petitioner (employer) contests the findings of the labor regulation officer and raises issues thereon;
- (b) that in order to resolve such issues, there is need to examine evidentiary matters; and
- (c) that such matters are not verifiable in the normal course of inspection.[18]

These conditions do not exist in this case and, therefore, there can be no question that the Regional Director had jurisdiction to decide the claims of private respondents.

This brings us to the second ground for the present petition, namely, the alleged denial of due process to petitioner. Petitioner claims that it was not able to contest the findings of the Labor Standard Officer because it was not furnished a copy of the inspection report containing the findings and because instead of denying its motion to dismiss for lack of jurisdiction and thereafter giving it a hearing, the Regional Director simply issued his questioned order.

As already stated, after petitioner had filed a motion to dismiss the case based on the alleged desistance of the complainants, the Regional Office called the parties to a conference, but only private respondents came. Petitioner did not appear. After its motion was denied, the case was again set for conciliation conference on June 18, 1989, but again petitioner did not come, insisting instead on the remand of the case to the NLRC.

If petitioner attended the hearing on its motion to dismiss (based on alleged desistance of employees) it would have known who the complainants were because it would have been furnished a copy of the complaint.

Nor can petitioner pretend that it did not know what the nature of private respondents' claims was because petitioner in fact moved for the remand of the case to the NLRC on the ground that it involved a claim "within the original exclusive jurisdiction of the Labor Arbiter of said commission." Petitioner could only have invoked the original and exclusive jurisdiction of Labor Arbiters precisely because it knew the nature of the claims of private respondent.

As this Court has time and again stated:

The essence of due process is that a party be afforded reasonable opportunity to be heard and to submit any evidence he may have in support of his defense. In administrative proceedings such as the one at bench, due process simply means the opportunity to explain one's side or the opportunity to seek a reconsideration of the

action or ruling complained of.[19]

The Regional Director therefore rightly concluded in his order of July 29, 1986:

The records showed that the respondent [now petitioner] was afforded ample time to defend and present evidences to refute the complainants allegations, but failed to avail of those opportunities.[20]

The fact is that, as the Secretary of Labor and Employment stated in his order of May 26, 1989:

In the course of inspection Mr. Manny Ramirez, owner of the Industry, revealed that he was not giving the living allowances and other benefits for by doing so would mean business closure. He advised the labor inspector to settle the case amicably with the complainants.[21]

What seems to have been overlooked by petitioner is that the proceedings in the Regional Office were a summary one. Under Art. 128(a) of the Labor Code, the Secretary of Labor or his duly authorized representatives, such as the Regional Directors, has visitorial powers which authorize him to inspect the records and premises of an employer at any time of the day or night whenever work is being undertaken therein, to question any employee and investigate any fact, condition or matter, and to determine violations of labor laws, wage orders or rules and regulations. If the employer refuses to attend the inspection or conference or to submit any record, such as payrolls and daily time records, he will be deemed to have waived his right to present evidence.[22]

Indeed, Art. 129 of the Labor Code provides that proceedings before the Regional Director shall be summary in nature and, hence, should be resolved expeditiously. Accordingly, the parties to such proceedings must be vigilant and prompt in the assertion and protection of their rights.

Finally it is contended that the order of the Regional Director is defective because it does not contain a clear and distinct statement of the facts and the law on which it is based. Petitioner claims that the deficiency was supplied only in the order of the Secretary of Labor.

This contention has likewise no merit. The order in question reads:

This case is for non-payment of the minimum wage, living allowance and non-compliance with other labor standard laws which was filed in this Office on April 1, 1986 by Carolyn Alfonso and 260 others against M. Ramirez Industries and/or Manny Ramirez.

The complainants were not given the minimum wage and emergency cost of living allowance as mandated by labor laws since the period of their employment in January 1986, when the respondent opened for business, up to the time it stop business operations last April 8, 1986.

The records showed that the respondent was afforded ample time to defend and present evidences to refute the complainants allegations, but failed to avail of those opportunities.

The complainants, therefore, are entitled to the difference of what has been provided by law less the amount actually received by them.

Contrary to the claim of petitioner, the order of the Regional Director states the ultimate facts, to wit: that private respondents were employed by petitioner in 1986; that on April 1, 1986 private respondents, led by Carolyn Alfonso, filed the case complaining of nonpayment of the minimum wage, living allowance and noncompliance with labor standards laws; that petitioner stopped business operations on April 8, 1986; that private respondents were entitled to wage differentials; and that petitioner failed to refute the private respondents' allegations despite opportunity given to petitioner.

These are the facts on which the order was based. The order of the Secretary of Labor and Employment, which

petitioner seems to consider as adequate contains no more recital of the facts than the order of the Regional Director in question. The only difference between the two is that the Secretary's order, aside from stating the facts, also states the proceedings in the case. Thus, the Secretary's order reads:

The factual background are as follows:

This case is for non-payment of minimum wage, living allowance and non-compliance with other labor standard laws which was filed on April 1, 1986 by Carolyn Alfonso and 260 others against respondent herein.

On the strength of Office Order No. 23 dated April 1, 1986, Labor Standard and Welfare Officer, Mr. Juanito Yallosa, conducted a complaint inspection at the respondent's premises. Consequently, several conciliation hearings were held until it was reset to April 18, 1986.

However, on April 14, 1986, respondent filed an Ex-Parte Motion to Dismiss the case on the ground of complainants' voluntary desistance from pursuing their case and attaching therein their letter of affirmation to said desistance.

On May 7, 1986, both parties again were called for a conference. Complainants appeared while respondent did not. In said hearing complainants vehemently objected to respondent's motion on the ground that the signatories appearing thereon are not the complainants.

On May 22, 1986, the Regional Director promulgated an Order dismissing respondent Ex-Parte Motion To Dismiss.

On June 11, 1986, respondent filed another Motion praying that the case be remanded to the National Labor Relations Commission alleging among others, that the case is within the original and exclusive jurisdiction of the NLRC.

On June 18, 1986 an Order was promulgated ordering respondent to pay the claims of the complainants.

Hence, respondent appealed.

A decision must state the grounds for it so that any party who wishes to appeal therefrom can make a proper assignment of error against the decision. In the language of *Ang Tibay v. CIR*:^[23]

(7) The [administrative agency] should, in all controversial questions, render its decision in such a manner that the parties to the proceeding can know the various issues involved, and the reasons for the decisions rendered. The performance of this duty is inseparable from the authority conferred upon it.

If the test of sufficiency of a decision or order is that the party adversely affected by it can, if he wishes to, assign errors against it, then the order of Regional Director in question is sufficient. Thus, in its motion for reconsideration dated July 29, 1986, petitioner took issue with the findings contained in the order of the Regional Director. Petitioner said:

The awards are inequitable, unjust and oppressive. Contrary to what was recited in the questioned order that the respondent stopped business operations on April 8, 1986, respondent opened for business his new but still-not-finished factory buildings on July 2, 1986. During the alleged period of employment of the complainants, respondent was, and even presently is, undertaking construction in progress of his factory buildings and compound. Anticipating that respondent will need workers when the factory will open for business, many presented themselves to learn the trade of weaving baskets which will be the crafts to be produced in respondent's factory. Sacrificing valuable materials, respondent allowed those who are interested to learn the trade. Naturally, many of the baskets weaved are of inferior and unsalable quality, but respondent was not counting the costs, expecting that when the time comes to open the factory for business, there would be already available workers skilled in the art of weaving baskets. Besides, there were some who possess the

aptitude and had weaved baskets of fair quality, so, they were correspondingly paid of their labor on a piece rate basis. Unfortunately, however, even as construction of respondent's factory was not yet completed, his business was not spared of agitation initiated by elements of a radical labor union. Hence, this case. And, now, to compel respondent to pay as commanded in the questioned order, despite much sacrifice to waste valuable materials so prospective workers will learn to weave is, verily, inequitable, unjust and oppressive. (Emphasis added)

Petitioner would not have been able to say "contrary to what was recited in the questioned order..." if the basis of the Regional Director's order was not stated. In effect petitioner admitted that he had not paid the respondents some of their claims, such as those for living allowance, albeit it defended itself by claiming that private respondents were not regular workers but only learners, who were allowed to work so that they would learn the craft, pending their employment. However that may be, the fact is that petitioner admitted not having paid private respondents regular wages. That private respondents were regular workers is a finding that the Regional Director made, based on the report of the Labor Standard Officer. The failure of petitioner to dispute this factual finding gives it the stamp of finality. It is now settled that factual findings of administrative agencies are to be accorded not only respect but even finality when they are supported by substantial evidence.[24]

WHEREFORE, the petition for certiorari is DISMISSED for lack of merit.

SO ORDERED.

Regalado (Chairman), Romero, Puno, and Torres, Jr., JJ., concur.

[1]Rollo, p. 194.

[2]Id., p. 29.

[3] Id., p. 40.

[4] Id., p. 29.

[5] Id., p. 21.

[6] Id., p. 56.

[7]Id., pp. 29, 33.

[8]Id., p. 27.

[9] Id., p. 28.

[10]Id., pp. 29-33.

[11] 174 SCRA 524 (1989).

[12]Ubay Arrastre Stevedoring Services, Inc. v. Trajano, 228 SCRA 189 (1993).

[13]Star Security & Detective Inv. Agency v. Secretary of Labor, 187 SCRA 358 (1990).

[14]Servando's Inc. v. Secretary of Labor and Employment, 184 SCRA 664 (1990); Briad Agro Dev. Corp. v. Dela Serna, 179 SCRA 269 (1989).

[15] Rajah Humabon Hotel, Inc. v. Trajano, 226 SCRA 395 (1993).

[16] Ubay Arrastre and Stevedoring Services, Inc. v. Trajano, 228 SCRA 189 (1993); Rajah Humabon Hotel, Inc.

v. Trajano, 226 SCRA 394 (1993); *Star Security v. Secretary*, 187 SCRA 358 (1990); *Servando's Inc. v. Secretary of Labor*, 184 SCRA 664 (1990); *Briad Agro Development Corporation v. Dela Cerna*, 179 SCRA 269 (1989).

[17] *Tijam v. Sibonghanoy*, 23 SCRA 29, 35 (1968); *Accord, Quimpo v. Dela Victoria* 46 SCRA 139 (1972).

[18] *Red V Coconut Products v. Leogardo*, 208 SCRA 28 (1992); *SSK Parts Corporation v. Camas*, 181 SCRA 675 (1990).

[19] *Padilla v. Sto. Tomas*, 243 SCRA 155 (1995); *Concerned Officials of MWSS v. Hon. Ombudsman Conrado Vasquez*, 240 SCRA 502 (1995); *Sunset View Condominium Corporation v. National Labor Relations Commission*, 228 SCRA 466, 472 (1993); *Shoemart, Inc. v. National Labor Relations Commission*, 225 SCRA 311, 320 (1993); *Ferrer v. National Labor Relations Commission*, 224 SCRA 410, 420 (1993); *Development Bank of the Philippines v. National Labor Relations Commission*, 218 SCRA 183, 187 (1993); *Stayfast Philippines Corporation v. National Labor Relations Commission*, 218 SCRA 596, 601 (1993); *Philippine Airlines, Inc. v. National Labor Relations Commission*, 198 SCRA 748 (1991); *Bautista v. Secretary of Labor*, 196 SCRA 470 (1991); *Var Orient Shipping Co. Inc. v. Achacoso*, 161 SCRA 732 (1988).

[20] *Rollo*, p. 29.

[21] *Id.*, pp. 194-195.

[22] See *Rajah Humabon Hotel, Inc. v. Trajano*, 226 SCRA 394 (1993); *Servando's Inc. v. Secretary of Labor*, 184 SCRA 664 (1990); *Briad Agro Development Corporation v. Dela Cerna*, 179 SCRA 269 (1989).

[23] 69 Phil. 635, 644 (1940).

[24] See *Molave Tours Corporation v. National Relations Commission*, 250 SCRA 325 (1995); *Ex-Bataan Veterans Security Agency, Inc. v. National Labor Relations Commission*, 250 SCRA 418 (1995).

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