

SAN MIGUEL CORPORATION, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION AND ALFREDO ANGAT, RESPONDENTS.

G.R. No. 96497. May 31, 1993

Ponente: NOCON, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-96497/>

NOCON, J.:

In this petition for certiorari, petitioner San Miguel Corporation (SMC) seeks the reversal of the resolution dated November 22, 1990[1] of the National Labor Relations Commission (NLRC) affirming the decision dated January 31, 1990 of Labor Arbiter Oswald B. Lorenzo which declared the dismissal of private respondent Alfredo Angat illegal and ordered his immediate reinstatement without loss of seniority rights and the payment of full back wages and attorney's fees, on the ground that said resolution was issued with grave abuse of discretion.

The facts are as follows: SMC hired private respondent Angat as driver on August 16, 1972 and assigned him to Beer Sales Route No. 7 of the San Fernando, Pampanga Beer Sales Office. One of his companions on said route was Monico Pamintuan, who was later assigned as acting salesman in the absence of the regular route salesman, Generoso Canlas.

On September 6, 1986, Pamintuan went to collect from SMC's customers but failed to return after several hours. Angat then reported Pamintuan's disappearance to Federico Quizon, Officer-in-Charge of SMC's San Fernando Plant, Beer Sales Division and requested for an audit of the balance of the beer in the truck. Angat also turned over to Quizon the amount of P4,747.00, which the latter acknowledged to be the correct amount based on the audit.

A few days later, Angat was accompanied in his sales route by two SMC management personnel, who conferred with three SMC customers. The management personnel discovered that the salesmen of Beer Route No. 7, in connivance with some of SMC's customers, have been issuing Temporary Credit Sales Invoices which do not reflect the actual merchandise received by said customers.

Under this scheme, the salesmen from Beer Sales Route No. 7 would allegedly borrow SMC merchandise from its customers and hide the same by imputing said merchandise to be the actual orders of customers involved. There was an understanding between the parties that the salesmen shall either return the merchandise borrowed to the customer or pay its monetary equivalent.

Thereafter, Angat and the management personnel proceeded to SMC's Head Office, where the former was told that he was grounded effective September 9, 1986 -- which in Angat's case meant that he could not go out on his sales route. Angat was ordered to report for work at SMC's Head Office.

Angat was then charged with misappropriating company funds, which he denied, saying that as a mere route driver he handled neither company funds nor sales transactions. However, during an investigation conducted by SMC on September 20, 1986 and February 24, 1987, Angat allegedly admitted to having borrowed merchandise from SMC's customers.

On August 26, 1987, Angat discovered that his name was included in a list of persons prohibited from entering company premises posted on the SMC Bulletin Board.

Consequently, on August 1, 1988, Angat filed a complaint for illegal dismissal against SMC with the NLRC's Regional Arbitration Branch No. III at San Fernando, Pampanga. In its position paper, SMC claimed that Angat was dismissed for cause, the same being grounded on Angat's borrowing of merchandize from SMC's customers, which constitutes serious misconduct and fraud under the Labor Code.

In the course of the proceedings, Angat presented the affidavit of Monico Pamintuan admitting that it was he who conspired with SMC's customers in "making it appear that the latter are liable on the Temporary Credit Sales Invoices with the understanding that the quantity imputed less actual liability shall be returned to the customer or its monetary equivalent to be paid thereafter." [2] Pamintuan also stated that Angat has nothing to do nor was aware of the alleged irregularities of the sales personnel of Beer Route No. 7. Pamintuan later testified before the labor arbiter and affirmed the contents of his affidavit.

On January 31, 1990, Labor Arbiter Oswaldo B. Lorenzo rendered a decision [3] in favor of Angat, the dispositive portion of which reads as follows:

WHEREFORE, in view of the foregoing considerations, judgment is hereby rendered as follows:

1. Declaring the dismissal of complainant ALFREDO ANGAT by respondent as illegally effected;
2. Ordering the respondents to immediately reinstate complainant ALFREDO ANGAT to his previous position or equivalent position without loss of seniority rights and to pay him full backwages and other benefits without deduction or qualification from 25 August 1987 up to actual reinstatement but not to exceed three (3) years in the amount of NINETY THOUSAND NINE HUNDRED NINETY NINE PESOS and 95/100 (P90,999.95) and which is partially computed as of the date of the decision, as follows:

a. Basic Salary:

$P2,800.00 \times 29 \text{ months} = P31,200.00$

b. 13th month pay:

Fr. 1987-1989 = 3 years

$P2,800.00 \times 3 \text{ years} = 8,400.00$

c. 5-day incentive leave

Fr. 1987-1989 = 3 years

$P466.65 \times 3 \text{ years} = 1,399.95$

GRAND TOTAL = P90,999.95

3. The respondents are hereby ordered to pay the equivalent of ten (10) percent of the amount herein or the amount of NINE THOUSAND ONE HUNDRED PESOS (P9,100.00) for and as attorney's fees.
4. The claim for damages against respondents is hereby ordered dismissed for lack of evidentiary basis to grant the same.
5. Finally, respondents are ordered to show proof of compliance within five days from receipt of this Decision

in connection with the immediate reinstatement of the complainant, under the same terms and conditions prevailing prior to his dismissal or at their option mere reinstatement in the payroll pursuant to par. 3 of Art. 223 of the Labor Code, as amended by Rep. Act 6715.

SO ORDERED.[4]

The Labor Arbiter found a violation of due process when in the course of the investigation, petitioner failed to appraise private respondent of his constitutional right to counsel and to remain silent and thereby not affording the latter a fair defense. He likewise considered the testimony of Monico Pamintuan as having absolved private respondent from any liability to petitioner SMC.

Not satisfied with the decision, petitioner appealed the same to the NLRC, which affirmed the decision of the Labor Arbiter in toto in a resolution dated November 22, 1990,[5] and dismissed the appeal for lack of merit.

In the instant petition, SMC argues that it accorded private respondent due process and that it found nothing in the Labor Code requiring employers to inform employees under investigation of their constitutional right to remain silent and to counsel; that private respondent cannot be absolved of liability on the basis of another person's confession of guilt; and that petitioner has the prerogative to prescribe reasonable rules and regulations necessary for the conduct of its business.

We find the petition devoid of merit.

To validly dismiss an employee, an employer must meet two conditions: first, the dismissal must be for a cause provided for in the Labor Code; and second, the observance of notice and hearing prior to the employee's dismissal.

The importance of notice and hearing was stressed in *Salaw vs. National Labor Relations Commission, et al.*,[6] wherein this Court stated:

The inviolability of notice and hearing for a valid dismissal of an employee can not be over-emphasized. Those twin requirements constitute essential elements of due process in cases of employee dismissal. The requirement of notice is intended to inform the employee concerned of the employer's intent to dismiss him and the reason for the proposed dismissal; on the other hand, the requirement of hearing affords the employee the opportunity to answer his employer's charges against him and accordingly to defend himself therefrom before dismissal is effected. Neither one of these two requirements can be dispensed without running afoul of the due process requirement of the Constitution.[7]

The investigation conducted by petitioner in this case cannot be considered a hearing within the contemplation of the law since it did not accord private respondent the opportunity to present his defense or to adduce evidence in his behalf. As can be seen from the minutes of the investigation, which petitioner presented in evidence before the labor arbiter as Exhibit "C",[8] the investigation was intended as a fact-finding proceeding aimed at establishing the guilt of respondent Angat and the other members of Beer Sales Route No. 7. Nowhere does it appear that private respondent was appraised of the charges against him, nor was he given an opportunity to defend himself.

While it is true that We have held in several cases, the most recent of which being *Cathedral School of Technology, et al. vs. National Labor Relations Commission, et al.*,[9] that the mere absence of notice and hearing does not mean the automatic reinstatement of the dismissed employee where the employee was dismissed for lawful cause, the fact remains that there appears to be no valid ground for private respondent's dismissal, either for misappropriating company funds or for borrowing merchandise from its customers.

The record is bereft of any evidence of wrong-doing on respondent Angat's part. It is not true that private respondent had admitted borrowing merchandise from SMC's customers; what he did admit was the fact of

borrowing money from route salesman Pamintuan, who apparently took the money he lent to private respondent from the proceeds of his sales, as shown by Angat's statement taken before SMC investigators:

"T - Sa inaming mong pagkautang sa ibang parukyano, paano ka nakahiram at alam ba ng iyong ahente ito?

"S - Basta humiram ako ng pera kay Monico Pamintuan pero hindi alam na ganyan ang ginawa niya. Paguwi namin binibigay and peraat sabay pangalo ko na a beite o sa komisyon ang bayad ko." [10]

Like the public respondents, this Court cannot ignore the testimony of Pamintuan admitting his guilt and absolving private respondent from his misdeeds. As acting route salesman, Pamintuan was the only one authorized to deal with SMC's customers and to hold whatever moneys he collected from them.

In fine, We hold that the NLRC committed no grave abuse of discretion in upholding the decision of the labor arbiter in declaring the dismissal of private respondent Angat illegal and ordering his immediate reinstatement without loss of seniority rights and payment of full back wages and attorney's fees.

WHEREFORE, the instant petition is hereby DISMISSED. Costs against petitioner.

SO ORDERED.

Narvasa, C.J., (Chairman) and Regalado, JJ., concur.

Padilla, J., no part.

[1] Penned by Commissioner Rogelio I. Rayala, with Presiding Commissioner Lourdes C. Javier and Commissioner Ireneo B. Bernardo, concurring.

[2] Exhibit "A", Records, p. 141.

[3] Rollo, pp. 29-42.

[4] Decision in NLRC Case No. RABIII-08-0551-88, pp. 13-14, rollo, pp. 41-42.

[5] Rollo, pp. 19-28.

[6] 202 SCRA 7 (1991).

[7] Id., 12.

[8] Records, p. 75.

[9] G.R. No. 101438, October 13, 1992.

[10] See Exhibit "C", Records, pp. 75-76. Emphasis supplied.

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.