Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

GERINO YUKIT, DANILO REYES, RODRIGO S. SUMILANG, LEODEGARIO O. ROSALES, MARIO MELARPIS,[1] MARCELO R. OCAN, DENNIS V. BATHAN, BERNARDO S. MAGNAYE, LORENZO U. MARTINEZ, ANTONIO M. LADERES, SOFIO DE LOS REYES BAON, MARIO R. MIGUEL, RODOLFO S. LEOPANDO, EDGARDO N. MACALLA, JR., MARIANO REYES, ALEJANDRO CUETO, VIRGILIO RINGOR and JASON R. BARTE,
Petitioners,

\- versus -

TRITRAN, INC., JOSE C. ALVAREZ, JEHU C. SEBASTIAN, and JAM TRANSIT INC.,
Respondents.

G.R. No. 184841

Present:

SERENO, *CJ*, Chairperson,
LEONARDO-DE CASTRO,
BERSAMIN,
PERLAS-BERNABE,* and
CAGUIOA, *JJ.*

Promulgated:

NOV 2 1 2016

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D E C I S I O N

SERENO, *CJ:*

This Petition for Review[2] involves a dispute as to the validity of the closure of respondent Tritran, Inc. (Tritran) and the legality of the ensuing dismissal of petitioners, who were its former employees. Petitioners seek the reversal of the Decision[3] and Resolution[4] of the Court of Appeals (CA) in CA-G.R. SP No. 97788. The CA affirmed the Resolution[5] of the National Labor Relations Commission (NLRC), which set aside the

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[1] "Elarpis" in some parts of the record.
* On official leave.
[2] Petition for Review dated 27 October 2008, *rollo*, pp. 3-60.
[3] Decision dated 18 October 2007 penned by Associate Justice Bienvenido L. Reyes (now a member of this Court) and concurred in by Associate Justices Aurora Santiago Lagman and Apolinario D. Bruselas, Jr.; *rollo*, pp. 62-75.
[4] Resolution dated 6 October 2008, *rollo* pp. 353-354.
[5] Resolution dated 18 August 2006 penned by Presiding Commissioner Raul T. Aquino and concurred in by Commissioners Victoriano R. Calaycay and Angelita A. Gacutan; *rollo*, pp. 128-142.

earlier Decision[6] of the labor arbiter (LA) in favor of petitioners. The LA had ruled that petitioners had been illegally dismissed by Tritran and were consequently entitled to separation benefits.

FACTUAL ANTECEDENTS

Petitioners Danilo Reyes, Rodrigo S. Sumilang, Leodegario O. Rosales, Mario R. Melarpis, Marcelo R. Ocon, Dennis V. Bathan, Bernardo S. Magnaye, Lorenzo U. Martinez, Antonio M. Laderes, Sofio de los Reyes Baon, Mario R. Miguel, Edgrado N. Macalla, Jr., Alejandro Cueto, Virgilio Ringor and Jason R. Barte were formerly employed as drivers and conductors of Tritran.[7]

Respondent Tritran was a corporation engaged in the business of transporting persons and property as a common carrier.[8] As such, it operated a fleet of buses in designated routes between Metro Manila and selected areas in Batangas and Laguna.[9]

On 26 May 2004, Tritran sent a Notice of Closure/Cessation of Business[10] to the Regional Director, Regional Office No. IV of the Department of Labor and Employment (DOLE Regional Office), citing irreversible business losses to justify the permanent closure of the establishment. Despite its financial condition, however, Tritran undertook to pay separation benefits to its employees.[11]

A few months earlier, Tritran had informed the DOLE Regional Office of its decision to temporarily close the establishment and cease operations effective 15 January 2004.[12] The decision was made after the company had laid off a total of 114 employees in 2003[13] pursuant to a retrenchment program implemented to cut down costs. [14] It cited financial reverses as the reason for both the temporary closure and the retrenchment.[15]

In March and April 2004, petitioners filed complaints[16] before the NLRC against Tritran; its president, Jose C. Alvarez, and its vice president for finance and administration, Jehu C. Sebastian.

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[6] Decision dated 15 August 2005, *rollo*, pp. 147-163.
[7] Decision dated 18 October 2007, *rollo*, p. 63.
[8] Articles of Incorporation of Tritran Incorporated, *rollo*, pp. 209-216.
[9] Id. at 485.
[10] Letter dated 26 May 2004, *rollo*, pp. 539-540.
[11] Id. at 540.
[12] Letter dated 12 December 2003, *rollo*, p. 514.
[13] Tritran carried out the retrenchment in three tranches – 21 employees were retrenched effective 3 October 2003 (see Establishment Termination Report filed on 7 October 2003, *rollo*, p. 516); 87 were terminated effective 18 October 2003 (see Establishment Termination Report filed on 18 September 2003, *rollo*, p. 510); and six more were retrenched effective 21 October 2003 (*see* Establishment Termination Report filed on 21 October 2003, *rollo*, p. 511).
[14] Comment dated 18 February 2009, *rollo*, pp. 609.
[15] Supra notes 12and 13.
[16] Complaints, *rollo*, pp. 450-465.

In their Position Paper, [17] petitioners alleged that they were illegally terminated from employment as a result of the invalid closure of the company and were thus entitled to reinstatement. They claimed that Tritran never ceased its business as shown by the continued operation of its buses on the same routes under the management of JAM Transit, Inc.,[18] a company also owned by Alvarez.[19] It was also alleged that the employees of the company were asked to sign voluntary resignation letters if they wanted to avail themselves of employment under the new management.[20] To petitioners, these circumstances proved that the closure was a mere ploy for the company to circumvent their security of tenure and avoid its obligation to pay them separation benefits.[21]

In their Position Paper, [22] respondents denied these allegations and asserted that the closure was justified under Article 283 of the Labor Code. They cited the serious and irreversible losses sustained by the company from 2000 to 2002.[23] In support of this allegation, they submitted the Audited Financial Statements (AFS) of Tritran for the years ending 31 December 2001[24] and 31 December 2002,[25] which were prepared by its external auditors, Sicangco Menor Villanueva & Co. These documents showed that the company had incurred the following losses: ₱30,023,774.45 in 2000,[26] ₱37,621,961.71 in 2001[27] and ₱34,620,587.61 in 2002.[28] Respondents also emphasized their compliance with the requirements of the Labor Code. For their part, Alvarez and Sebastian insisted that they could not be held personally liable, since the closure of Tritran was based on the "collective business judgment" of the officers of the company.[29]

In their Reply-Position Paper,[30] petitioners emphasized that the figures contained in the AFS were ridiculous and illogical. In particular, they questioned the fact that Tritran, a bus company, spent around ₱10 million for security services, but paid only about ₱1.5 million for the salaries and wages of its drivers and conductors.[31] They also pointed out that there was no evidence of the alleged sale of assets to JAM Transit; hence, the continued operation of the buses of Tritran, even under this new management, contradicted the alleged reason for the closure of former's business.

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[17] Position Paper for the Complainants, *rollo*, pp. 466-482.
[18] Id. at 472.
[19] Id. at 474.
[20] Id. at 468.
[21] Id. at 469-474.
[22] Position Paper for the Respondents, *rollo*, pp. 483-496.
[23] Id. at 486.
[24] Financial Statements, 31 December, 2001, *rollo*, pp. 497-502.
[25] Id. at 503-509.
[26] Supra note 24, at 501.
[27] Id.
[28] Supra note 25, at 507.
[29] Supra note 22, at 493
[30] Complainants' Reply-Position Paper, *rollo*, pp. 542-553.
[31] Id. at 548.

Respondents refuted the foregoing allegations in their Reply to Complainants' Position Paper.[32] They maintained that (a) Tritran suffered serious business losses as shown by the AFS; and (b) JAM Transit purchased the vehicles and other assets of Tritran after the closure.

THE RULING OF THE LA

In a Decision dated 15 August 2005,[33] LA Numeriano D. Villena ruled in favor of petitioners and awarded them full back wages, separation pay, and attorney's fees. He observed that the AFS submitted by respondents to substantiate their supposed losses contained "highly suspicious" expenditures for security.[34] He thus gave little weight to these documents and concluded that the closure was meant to circumvent the law on termination of employment.[35]

THE RULING OF THE NLRC

On appeal,[36] the NLRC initially affirmed the foregoing ruling. In a Decision[37] dated 28 April 2006, it agreed with the observations of the LA with respect to the doubtful expenses included in Tritran's AFS.[38] On this basis, it concluded that serious business losses were not sufficiently proven; therefore, the closure was not undertaken in good faith.[39]

Respondents sought reconsideration of the NLRC Decision on 30 May 2006.[40] They insisted that the expenses incurred by Tritran, particularly for security services, were legitimate and justified by the need to maintain the safety of the terminals and premises of the bus company. They also argued that there was sufficient evidence of serious business losses, i.e., financial statements audited by independent external auditors,[41] loan agreements[42] and a schedule of rollables.[43]

In a Resolution[44] dated 18 August 2006, the NLRC granted the Motion for Reconsideration.[45] Reversing its earlier ruling, it declared that the closure of Tritran was justified, given the serious business losses suffered by the company.[46] This time, the NLRC gave weight to the AFS

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[32] Reply to Complainants' Position Paper, *rollo*, pp. 554-564.
[33] Decision dated 15 August 2005, *rollo*, pp. 356-372.
[34] Id. at 365.
[35] Id. at 366.
[36] Memorandum on Appeal, *rollo*, pp. 164-195.
[37] Penned by Presiding Commissioner Raul T. Aquino and concurred in by Commissioners Victoriano R. Calaycay and Angelita A. Gacutan; *rollo*, pp. 288-299.
[38] Id. at 294-295.
[39] Id. at 295.
[40] Motion for Reconsideration, *rollo*, pp. 300-323.
[41] Id. at 307-308.
[42] Agreement, *rollo*, pp. 198-206
[43] Schedule of Rollables, *rollo*, pp. 217-220.
[44] Resolution dated 18 August 2006, *rollo*, pp. 127-142.
[45] Supra note 40.
[46] Supra note 44, at 130-132.

as well other supporting documents submitted by respondents.[47] It also referred to its Decision in *Antonio de Chavez, et al. v. Tritran, Inc., et al.,*[48] in which it upheld the validity of the dismissal of certain employees of Tritran on the basis of the closure of the company.[49] Citing the principle of *stare decisis,* the NLRC declared that *De Chavez* must be followed in this case.[50]

THE RULING OF THE CA

On 5 February 2007, petitioners elevated the case to the CA via a Petition for Certiorari.[51] Apart from reiterating their arguments on the incredulous figures contained in Tritran's AFS,[52] they challenged the application of *De Chavez* to this case. They pointed out that (a) because *De Chavez* was issued two months after the NLRC had promulgated the original Decision in this case, the ruling cannot be used as binding precedent;[53] and (b) *stare decisis* only applies to final decisions of the Supreme Court.[54] Petitioners also emphasized that there was no justification for the reversal of the earlier Decision, as no new evidence or argument had been submitted.[55] They particularly questioned the sudden turnaround of the NLRC on the issue of the credibility of the AFS.[56]

In a Decision[57] dated 18 October 2007, the CA dismissed the Petition for Certiorari. It declared that the NLRC did not commit grave abuse of discretion when the latter reversed its earlier Decision:

> In rectifying its previous assessment of petitioners' termination of employment and Tritran's closure or cessation of business, respondent NLRC did not commit any abuse of discretion, much less grave. The reasons are as follows:
>
> Petitioners reiterate their argument that no evidentiary weight should be given to the Audited Financial Statements and supporting documents such as the Balance Sheet, Statement of Income and Expenses and Statements of Cash Flow presented by private respondents in substantiation of their contention of continuing irreversible financial losses necessitating the closure of the respondent company. However, petitioners' disagreement with respondent NLRC on the weight it gave to certain evidence is no basis to strike down the assailed decision as capricious and whimsical exercise of judgment as is equivalent to lack of jurisdiction. If respondent NLRC gave more weight to Tritran's evidence, it was simply because such evidence clearly demonstrated the facts it intended to establish.

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[47] Id. at 131.
[48] Docketed as NLRC RAB IV-2-18970-04-L.
[49] Id. at 132-139.
[50] Id. at 133-139.
[51] Petition for Certiorari dated 5 February 2007, *rollo*, pp. 77-126.
[52] Id. at 104-112.
[53] Id. at 93-95.
[54] Id. at 95-96.
[55] Id. at 100.
[56] Id. at 100-103.
[57] Decision dated 18 October 2007, *rollo*, pp. 62-75.

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> The respondent NLRC's decision in the Antonio De Chavez case was based on the same facts and issues present in this case. It is thus logically expected that, after such error had been discovered and rectified, respondent NLRC would abandon its former stance and proceed to resolve the issues raised in the case below to the end that the latter may be finally disposed of its merits, and to avoid possible conflicting decisions. Such abandonment is demanded by public interest and the circumstances.[58]

With respect to the issues raised by petitioners concerning Tritran's supposed losses, the CA refused to interfere with the NLRC's assessment of the evidence presented by the parties. The appellate court noted, however, that the suspicions brought up by petitioners were "based on tenuous, if nonexistent evidentiary support."[59] In contrast, respondents were deemed to have proven the losses incurred by Tritran, as well as the validity of the dismissal of the company's employees.[60] Hence, the appellate court found no reason to doubt the conclusions of the NLRC.

Petitioners sought reconsideration of the Decision. However, their motion[61] was denied by the CA in a Resolution[62] dated 6 October 2008.

PROCEEDINGS BEFORE THIS COURT

Petitioners again challenge the credibility of the evidence presented to prove Tritran's supposed losses[63] and the applicability of the doctrine of *stare decisis* to this case.[64] They insist that the "sudden reversal of the NLRC's previous Decision dated 28 April 2006 was done in such a capricious, whimsical, arbitrary and anomalous manner that it so brazenly misapplied and violated the basic principle of *stare decisis*"[65] and thereby warrants a review.

In their Comment,[66] respondents maintain the propriety of the CA's dismissal of the Petition for Certiorari. They assert that there was no grave abuse of discretion on the part of the NLRC, since the reversal of the latter's earlier ruling was supported by law and evidence.[67] They also reiterate their arguments on the company's serious business losses, which supposedly rendered the closure of Tritran legitimate.[68]

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[58] Id. at 69.
[59] Id. at 72.
[60] Id. at 72-73.
[61] Motion for Reconsideration dated 9 November 2007, *rollo*, pp. 570-589.
[62] Resolution dated 6 October 2008, *rollo*, pp. 353-354.
[63] Petition for Certiorari dated 27 October 2008, *rollo*, pp. 3-60.
[64] Id. at 27-34.
[65] Id. at 21.
[66] Comment dated 18 February 2009, *rollo*, pp. 606-639.
[67] Id. at 617-624.
[68] Id. at 625-637.

ISSUES

The following issues are presented for resolution:

1. Whether the principle of *stare decisis* was correctly applied by the NLRC

2. Whether the closure of Tritran was justified

3. Whether petitioners were validly dismissed from employment

OUR RULING

The Petition is **DENIED**.

The Court believes that the doctrine of *stare decisis* was erroneously applied by the NLRC to this case, and that the CA should have rectified this error. However, we agree with the conclusion of the CA that the NLRC did not act with grave abuse of discretion when the latter reversed its earlier Decision. As will be further discussed, the closure of Tritran was justified considering the serious business losses sustained by the company from 2000 to 2002. Given its legitimate closure, petitioners were validly terminated from employment.

The Court, however, deems it proper to modify the CA Decision and Resolution to take into account Tritran's voluntary undertaking to pay separation benefits to its terminated employees.

The doctrine of stare decisis *was erroneously applied by the NLRC to justify the reversal of its earlier Decision.*

The doctrine of *stare decisis et non quieta movere* requires courts "to adhere to precedents, and not unsettle things which are established."[69] Following this directive, when a court has laid down a principle of law applicable to a certain state of facts, it must apply the same principle to all future cases in which the facts sued upon are substantially the same.[70]

In this case, the NLRC referred to the principle of *stare decisis* in its Resolution dated 18 August 2006 as one of the reasons for the reversal of its original Decision affirming the LA ruling. As earlier discussed, it cited the Decision in *De Chavez v. Tritran, Inc,.* in support of its finding that Tritran's closure was due to serious business losses.[71]

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[69] *Ty v. Banco Filipino Savings and Mortgage Bank*, 689 Phil. 603, 613 (2012) citing *Confederation of Sugar Producers Association, Inc. v. Department of Agrarian Reform (DAR)*, 548 Phil. 498 (2007).
[70] *The Secretary of Education, Culture, and Sports v. Court of Appeals*, 396 Phil. 187 (2000) citing *De la Cruz v. Court of Appeals*, 364 Phil. 786 (1999).
[71] NLRC Resolution dated 18 August 2006, *rollo*, pp. 427-428.

The Court rejects the foregoing reasoning. We find that the *stare decisis* principle was erroneously applied to this case.

It must be emphasized that only final decisions of this Court are deemed precedents[72] that form part of our legal system.[73] Decisions of lower courts or other divisions of the same court are not binding on others.[74] Consequently, it was incorrect for the NLRC to consider *De Chavez* – a ruling rendered by the same NLRC division – as a binding precedent applicable to the present case.

We stress, however, that the erroneous application of the *stare decisis* principle to this case does not automatically lead to the conclusion that the NLRC acted with grave abuse of discretion when it reversed its original Decision.

The Court notes that the NLRC set aside its own ruling only after taking a second hard look at the records; in particular, at the documentary evidence submitted by respondents.[75] Clearly, *De Chavez* was not the only basis of the NLRC for reversing its original ruling. Consequently, we agree with the CA's observation that the reversal was made pursuant to the inherent power of the NLRC to amend and control its processes and orders, so as to make them conformable to law and justice.[76]

Like any other tribunal, the NLRC has the right to reverse itself, "especially when in its honest opinion it has committed an error or mistake in judgment, and that to adhere to its decision will cause injustice to a party litigant."[77] In this case, we find that there was sufficient ground for the NLRC to reverse its original ruling.

The closure of Tritran was justified by the serious business losses it incurred.

It is settled that employers can lawfully close their establishments at any time and for any reason.[78] The law considers the decision to close and cease business operations as a management prerogative that courts cannot interfere with.[79] Our review of this case is therefore limited to a determination of whether the closure was made in good faith to advance the employer's interest, and not for the purpose of circumventing the rights of the employees.[80]

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[72] *Virtucio v. Alegarbes*, 693 Phil. 567(2012).
[73] CIVIL CODE, Article 8. Also see *Quasha Ancheta Peña & Nolasco Law Office v. Court of Appeals*, 622 Phil. 738 (2009).
[74] *Agustin-Se v. Office of the President*, G.R. No. 207355, 3 February 2016.
[75] NLRC Resolution dated 18 August 2006, *rollo*, p. 421-423.
[76] *Tocao & Velo v. CA*, 417 Phil. 794 (2001) citing *Vitarich Corporation v. National Labor Relations Commission,* 367 Phil. 1 (1999), which in turn cited *Astraquillo v. Javier*, L-20034, 121 Phil. 138 (1965).
[77] Id at 795.
[78] *Mac Adams Metal Engineering Workers Union-Independent v. Mac Adams Metal Engineering,* 460 Phil. 583 (2003).
[79] *G.J.T. Rebuilders Machine Shop v. Ambos*, G.R. No. 174184, 28 January 2015, 748 SCRA 358.
[80] *PNCC Skyway Corp. v. Secretary of Labor and Employment*, G.R. No. 213299, 19 April 2016.

In this case, the Court agrees with the conclusion of the CA and the NLRC that the closure of Tritran was legitimate, having been brought about by serious business losses as shown in the company's AFS.

We have consistently ruled that a company's economic status may be established through the submission of financial statements.[81] If prepared by independent external auditors, these statements are particularly entitled to weight and credence. In *Manatad v. Philippine Telegraph and Telephone Corp.*,[82] this Court explained:

> That the financial statements are audited by independent auditors safeguards the same from the manipulation of the figures therein to suit the company's needs. The auditing of financial reports by independent external auditors are strictly governed by national and international standards and regulations for the accounting profession. It bears to stress that the financial statements submitted by respondent were audited by reputable auditing firms. Hence, petitioner's assertion that respondent merely manipulated its financial statements to make it appear that it was suffering from business losses that would justify the retrenchment is incredible and baseless.
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> In addition, the fact that the financial statements were audited by independent auditors settles any doubt on the authenticity of these documents for lack of signature of the person who prepared it. As reported by SGV & Co., the financial statements presented fairly, in all material aspects, the financial position of the respondent as of 30 June 1998 and 1997, and the results of its operations and its cash flows for the years ended, in conformity with the generally accepted accounting principles.[83]

Here, the AFS submitted by respondents were sufficient proofs of the serious business losses incurred by Tritran. These financial statements were prepared by Sicangco Menor Villanueva & Co., an independent external auditor, in accordance with generally accepted auditing standards.[84] The AFS were also attested to as fair presentations of the financial position of the company for the specified periods.[85]

The Court is aware of the objections of petitioners to the AFS on the ground that irregular and suspiciously bloated expenses and cash advances were included therein.[86] We also note their argument that respondents failed to present receipts, vouchers, contracts, or other documents to substantiate the figures in the financial statements.[87]

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[81] See *G.J.T. Rebuilders Machine Shop v. Ambos*, G.R. No. 174184, 28 January 2015, supra note 79, and the cases cited therein.
[82] 571 Phil. 494 (2008).
[83] Id. at 510.
[84] Audited Financial Statements for the years ending 31 December 2001 and 2002, supra notes 24 and 25, at pp. 499 and 505.
[85] Id.
[86] Id. at 37-42.
[87] Id. at 40.

After judicious consideration, the Court finds that petitioners' arguments cannot prevail over the AFS or the attestations of the independent external auditor as to the fairness and accuracy of the figures contained therein. Bare allegations of "suspicious figures" cannot destroy the credibility of the documents, especially considering the strict national and international standards governing the accounting and auditing profession.[88]

With respect to the alleged failure of respondents to submit other evidence to support their claimed expenses, the Court agrees with the CA that they do not have this burden. Since petitioners are the ones claiming that the expenditures are dubious and false, it is their duty to prove their assertion. Only after the amounts spent on security services are shown to be bloated would the burden of evidence shift to respondents. Absent any evidence that the expenses are actually irregular, there is no basis for questioning the amounts stated in the AFS.

In the same manner, the allegation of petitioners that Tritran's buses continued to ply the same routes remained unsubstantiated. We note that the LA,[89] the NLRC,[90] and the CA[91] all confirmed the fact of the closure and cessation of operations. None of them gave credence to petitioners' assertion that Tritran continued to operate its buses, albeit under the management of JAM Transit. The Court finds no reason to reverse these conclusions.

Based on the foregoing, we affirm the ruling of the CA on this point. We find no grave abuse of discretion on the part of the NLRC in according evidentiary weight to the AFS and concluding that Tritran suffered serious business losses that led to its closure.

Petitioners were validly terminated from employment.

Proceeding from the conclusion that the closure of Tritran was carried out for legitimate reasons, this Court affirms the validity of the dismissal of petitioners from employment. Article 283[92] of the Labor

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[88] *Manalad v. PTTC*, supra note 82; *Hotel Enterprises of the Philippines, Inc. v. Samahan ng mga Manggagawa sa Hyatt-NUWHRAIN*, 606 Phil. 490 (2009).
[89] Supra note 33, at 366.
[90] Supra note 5, at 130-131.
[91] Supra note 3, at 73.
[92] Article 283 of the Labor Code provides:

> **Art. 283. Closure of establishment and reduction of personnel.**— The employer may also terminate the employment of any employee due to the installation of labor saving devices, redundancy, retrenchment to prevent losses or the closing or cessation of operation of the establishment or undertaking unless the closing is for the purpose of circumventing the provisions of this Title, by serving a written notice on the workers and the Department of Labor and Employment at least one (1) month before the intended date thereof. In case of termination due to installation of labor saving devices or redundancy, the worker affected thereby shall be entitled to a separation pay equivalent to at least his one (1) month pay or to at least one (1) month pay for every

Code expressly sanctions termination of employment due to closure of establishment, subject to certain notice requirements. If the closure is not due to serious business losses or financial reverses, the company is likewise required to grant separation benefits to dismissed employees.

Here, Tritran's compliance with the notice requirement under the Labor Code has been sufficiently proven. The company sent a written notice to its workers at least one month prior to the effective date of its closure. It also informed the DOLE Regional Office of the intended cessation of operations within the deadline.[93]

Since the closure of Tritran was due to serious business losses, petitioners would ordinarily not be entitled to separation benefits under Article 283. However, the Court notes that the company voluntarily obligated itself to pay severance benefits to the employees, notwithstanding its financial condition. In its letter to the DOLE Regional Office and the written notices it sent to its workers, Tritran expressly promised to pay separation benefits to the employees, less their actual accountabilities with the company. In fact, it repeatedly alleged that it had paid its other employees these benefits[94] and offered the same remuneration to petitioners,[95] as shown by photocopies of the check vouchers[96] prepared in the latter's name.

We likewise note that the undertaking to pay severance benefits was made to all affected workers and relayed to the DOLE Regional Office even prior to the filing of this case. Consequently, this promise must be considered a binding commitment, and not a mere settlement offer.

Having voluntarily assumed the obligation to pay separation benefits to its terminated employees,[97] Tritran must now fulfill its obligation. The CA Decision must therefore be modified in this respect.

WHEREFORE, the Petition for Review is **DENIED**. The CA Decision dated 18 October 2007 and Resolution dated 6 October 2008 are **AFFIRMED** with **MODIFICATION**. Respondent Tritran, Inc. is hereby ordered to pay petitioners their corresponding separation benefits less their accountabilities to the company.

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cont.

> year of service, whichever is higher. In case of retrenchment to prevent losses and in cases of closures or cessation of operations of establishment or undertaking not due to serious business losses or financial reverses, the separation pay shall be equivalent to one (1) month pay or to at least one-half (1/2) month pay for every year of service, whichever is higher. A fraction of at least six (6) months shall be considered one (1) whole year.

[93] Supra note 10.
[94] Comment, *rollo*, p. 631.
[95] Reply to Complainants' Position Paper, *rollo*, p. 555-556.
[96] *Rollo*, pp. 229-239.
[97] *Republic v. National Labor Relations Commission*, G.R. No. 174747, 9 March 2016.

SO ORDERED.

MARIA LOURDES P. A. SERENO
Chief Justice, Chairperson

WE CONCUR:

TERESITA J. LEONARDO-DE CASTRO
Associate Justice

LUCAS P. BERSAMIN
Associate Justice

(On official leave)
ESTELA M. PERLAS-BERNABE
Associate Justice

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MARIA LOURDES P. A. SERENO
Chief Justice