SUPREME COURT
FIRST DIVISION

KAR ASIA, INC. and/or CELESTINO S. BARETTO,
***Petitioners*,**

-versus-

G.R. No. 154985
August 24, 2004

MARIO CORONA, RICKY HEPGANO, JOHNNY COLLADOS, CONSTANTINO LAGARAS, RANEL BALANSAG, ARNOLD AVILA, PETER ARCENAL, ARNOLD CABAHUG, BERNARD BETE, RUPERTO RESTAURO, WILLY CRUZ, RANDY BASNILLO, ARMAN BASTE, ERNESTO ESPINA, PATRICIO AGUDELA, IRENEO BANGOY, PALERMO AUTENTICO, GEORGE TAGAYTAY, BENITO MATUGAS, and WILFREDO ESPINA,
***Respondents*.**

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D E C I S I O N

YNARES-SANTIAGO, *J.*:

This is a Petition for Review on Certiorari under Rule 45 of the Rules of Court assailing the February 28, 2002 Decision[1] of the Court of Appeals[2] in CA-G.R. SP No. 57972, and its August 9, 2002 Resolution denying petitioners' motion for reconsideration.

The undisputed facts are as follows:

Respondents, regular employees of petitioner KAR ASIA, Inc., an automotive dealer in Davao City, filed on September 24, 1997 a complaint[3] for underpayment of wages and attorney's fees before Branch XI, Regional Arbitration Branch of Davao City. They claimed that they were not paid their cost of living allowance (COLA), as mandated by the Regional Tripartite and Wages Productivity Board (RTWPB) XI Wage Order No. 3, for the months of December 1993 and December 1994, and prayed that petitioner be ordered to pay the same with 1% interest per month, as well as attorney's fees equivalent to 10% of the total monetary award.

Petitioner company and its president Celestino Barretto countered that the complaint was false and malicious; that respondents had already been paid their COLA for the said periods; and that respondents scared off potential customers and caused a substantial reduction in the income of the petitioner company estimated at, more or less, P1,000,000.00 when they picketed and put up streamers with insulting and derogatory slogans. Petitioners presented in evidence the payrolls for December 1993 and December 1994 showing that the respondents acknowledged in writing the receipt of their COLA, and the affidavits of Ermina Daray and Cristina Arana, cashiers of KAR ASIA, refuting respondents' claim that they were made to sign blank pieces of paper.

On August 31, 1998, the Labor Arbiter rendered a decision in favor of petitioners, the dispositive portion of which reads:

> WHEREFORE, judgment is hereby rendered:
>
> 1. Ordering the complainants jointly and severally to pay respondents the sum of P50,000.00 representing attorney's fee of respondents;

2. Ordering complainants jointly and severally to pay respondent Celestino S. Barretto the sum of P150,000.00 in concept of moral damages;

3. Ordering the complainants jointly and severally to pay respondents the sum of P5,000.00 as litigation expenses.

SO ORDERED.[4]

Respondents appealed to the NLRC, which affirmed the decision of the Labor Arbiter but deleted the award of moral damages, attorney's fees, and litigation expenses for lack of sufficient basis in a Resolution[5] dated August 23, 1999.

Respondents filed a petition for certiorari with the Court of Appeals, which reversed the decision of the NLRC and ordered petitioner company to pay the respondents the P25.00 per day COLA for the period December 1 to 31, 1994, plus interest thereon at the rate of 1% per month computed from the time the same was withheld from respondents up to the time they were actually paid the respective sums due them.

In support of its decision, the appellate court stated:[6]

> As aforesaid, the claim for the December 01 to 31, 1993 COLA had already prescribed at the time the complaint for underpayment was filed with the labor arbiter. However, there appears to be insufficient evidence in the records to justify a finding that COLA for the period December 01 to 31, 1994 had already been paid. The December 01 to 15 and 16 to 31, 1994 payroll adduced as evidence of payment does not meet the "substantial evidence" test. The same does not bear the signatures of the respondent company's employees acknowledging receipt of the same amount. Moreover, the same was signed by Ermina I. Daray, the paymaster and private respondent Celestino S. Barretto, the president cum C.E.O. of respondent company and the same was not covered by any affidavit of either signatory that the required COLA had already been actually paid, the payroll presented being merely the copy

approved for payment, and not the copy disclosing actual payment.

Hence this petition for review based on the following grounds:

1. IN ITS ASSAILED DECISION, THE HONORABLE COURT OF APPEALS MADE A MISAPPREHENSION OF FACTS AND IT PREMISED ITS FINDING OF FACT ON A SUPPOSED ABSENCE OF EVIDENCE BUT THIS IS CONTRADICTED BY THE EVIDENCE ON RECORD CONSIDERING THAT:

    a. THE PRESIDENT AND CEO EXECUTED THE POSITION PAPER UNDER OATH WHERE THE PAYROLL EVIDENCING PAYMENT OF THE DECEMBER 1994 COLA, WHICH HE ALSO SIGNED, WAS ANNEXED AND ATTACHED, HENCE THERE WAS NO NEED FOR HIM TO MAKE A SEPARATE AFFIDAVIT;

    b. THE PAYMASTER CERTIFIED IN EACH PAGE OF THE PAYROLL THAT SHE HAD ACTUALLY PAID THE AMOUNTS TO THE PERSONS LISTED IN THE DECEMBER 1994 PAYROLL THAT INCLUDED HEREIN RESPONDENTS. HENCE, THE PAYROLL IS NOT MERELY AN APPROVAL FOR PAYMENT BUT IS AN EVIDENCE THAT ACTUAL PAYMENT WAS MADE.

    c. THE LABOR ARBITER CONDUCTED A CLARIFICATORY HEARING WHEREIN THE CASHIERS OF PETITIONER, ONE OF WHOM WAS THE PAYMASTER REFERRED TO ABOVE, CONFIRMED THAT THEY HAVE ACTUALLY PAID THE RESPONDENTS THEIR ALLEGED UNPAID COLA.

2. THE HONORABLE COURT OF APPEALS EXCEEDED THE LIMITS OF ITS POWER TO REVIEW THE ACTS OF THE LABOR ARBITER AND THE NLRC BY NOT

CONFINING ITSELF IN DETERMINING WHETHER THE SAID QUASI-JUDICIAL BODIES LACKED OR ACTED IN EXCESS OF JURISDICTION OR COMMITTED GRAVE ABUSE OF DISCRETION BUT PROCEEDED TO INQUIRE ON THE CORRECTNESS OF THE EVALUATION OF EVIDENCE BY THE SAID AGENCIES WHICH IS BEYOND THE OFFICE OF AN EXTRAORDINARY WRIT OF CERTIORARI.[7]

In support of the first assigned error, petitioners argue that the factual findings of the Court of Appeals are in conflict with the evidence on record and those of the Labor Arbiter and the NLRC. They contend that the proceedings and pleadings before the Labor Arbiter and the NLRC showed that the respondents have abandoned their claim for non-payment of the December 1994 COLA. They insist that in their position paper and Memorandum on Appeal, the respondents only demanded the payment of the December 1993 COLA but not the December 1994 COLA. They further insist that there is sufficient evidence that the respondents had already been paid their COLA.

Anent the second assigned error, petitioners argue that the respondents having filed a petition for certiorari under Rule 65 of the Rules of Court, the Court of Appeals should have limited the exercise of its judicial review to issues of want of jurisdiction and/or grave abuse of discretion on the part of the Labor Arbiter and the NLRC, instead of evaluating the correctness and sufficiency of the evidence upon which the labor tribunals based their decisions.

The issue is simple: whether or not the petitioner company paid the respondents the COLA for December 1993 and December 1994 as mandated by RTWPB XI Wage Order No. 3.

We find merit in the petition.

A close scrutiny of the payroll for the December 1993 COLA[8] readily disclose the signatures of the respondents opposite their printed names and the numeric value of P654.00. Respondents' averment that the petitioner company harassed them into signing the said payroll without giving them its cash equivalent cannot be given

credence. Their self-serving and unsubstantiated declarations cannot overturn the evidentiary weight of the signatures. The allegations of harassment are inadmissible as self-serving statements and therefore cannot be repositories of truth. He who asserts not he who denies must prove; unfortunately, the respondents miserably failed to discharge this burden. We also agree with the observation of the Labor Arbiter that in 1993 there was no labor dispute since the labor unrest took place only in the later part of 1997. Hence, there was no reason for management to harass its employees.

More importantly, the unreasonable length of time in pursuing respondents' claim for the December 1993 COLA militates against its grant. Article 291 of the Labor Code requires that all money claims arising from employer-employee relations shall be filed within 3 years from the time that the cause of action accrued; otherwise they shall be barred forever. In the present case, the respondents filed the complaint for underpayment of wage on September 24, 1997. Thus, the action for the payment of the December 1993 COLA has already prescribed.

With respect to the December 1994 COLA, we find that the respondents alleged its non-payment only in the complaint. Subsequent pleadings reveal that they opted to pursue their demand only for December 1993 COLA and forego that of the December 1994. Even assuming that the neglect by the respondents in asserting their claim for the December 1994 COLA does not amount to an abandonment on the ground that they should not be deprived of their rightful monetary claims if they were so entitled, still the paucity of evidence to substantiate their bare assertions negates such an award.

The payrolls[9] for December 1 to 15, 1994 and December 16 to 31, 1994 indicate an allowance of P327.00 for each period, or a total of P654.00 for the entire month. However, a casual observation of the payroll for the December 1993 COLA will also show that the respondents signed for the amount of P654.00. Also, the allowances appearing in the two separate payslips[10] for December 1 to 15, 1994 and December 16 to 31, 1994 sum up to a total of P654.00. Although the numeric figures in the December 1994 payroll and the payslips for the same period were denominated merely as allowances while those in the December 1993 payroll were specifically identified as COLA,

the fact that they add up to the same figure, i.e., P654.00, is not a coincidence. Whether designated merely as an allowance or COLA, it is unmistakable that they all represent the cost of living allowance for the given periods under RTWPB XI Wage Order No. 3.

Moreover, the affidavits of Ermina Daray and Cristita Arana, whose verity we find no reason to suspect, confirmed the truthfulness of the entries in the payrolls and affirmed the receipt by the respondents of their full compensation. Entries in the payroll, being entries in the course of business, enjoy the presumption of regularity under Rule 130, Section 43 of the Rules of Court. It is therefore incumbent upon the respondents to adduce clear and convincing evidence in support of their claim. Unfortunately, respondents' naked assertions without proof in corroboration will not suffice to overcome the disputable presumption.

In disputing the probative value of the payrolls for December 1994, the appellate court observed that the same contain only the signatures of Ermina Daray and Celestino Barreto, the paymaster and the president, respectively. It further opined that the payrolls presented were only copies of the approved payment, and not copies disclosing actual payment.

The December 1994 payrolls[11] contain a computation of the amounts payable to the employees for the given period, including a breakdown of the allowances and deductions on the amount due, but the signatures of the respondents are conspicuously missing. Ideally, the signatures of the respondents should appear in the payroll as evidence of actual payment. However, the absence of such signatures does not necessarily lead to the conclusion that the December 1994 COLA was not received. It appears that the payslips[12] for the same period bear the signatures of the respondents plus a certification that they received the full compensation for the services rendered. While ordinarily a payslip is only a statement of the gross monthly income of the employee, his signature therein coupled by an acknowledgement of full compensation alter the legal complexion of the document. The payslip becomes a substantial proof of actual payment. Moreover, there is no hard-and-fast rule requiring that the employee's signature in the payroll is the only acceptable proof of payment. By implication, the respondents, in signing the payslips

with their acknowledgement of full compensation, unqualifiedly admitted the receipt thereof, including the COLA for December 1994. The Court of Appeals erred when it placed undue reliance on the unsigned payrolls and disregarded the signed payslips.

Factual findings by quasi-judicial agencies, such as the National Labor Relations Commission, which have acquired expertise because their jurisdiction is confined to specific matters, are generally accorded not only respect but even finality.[13]

WHEREFORE, based on the foregoing, the petition is **GRANTED**. The February 28, 2002 decision of the Court of Appeals in CA-G.R. SP No. 57972 is **REVERSED** and **SET ASIDE**. The Decision of the NLRC dated August 23, 1999 dismissing respondents' claims of unpaid COLA for December 1993 and December 1994, and deleting the awards for moral damages, attorney's fees and litigation expenses for lack of sufficient basis, is **AFFIRMED**.

No pronouncement as to costs.

SO ORDERED.

Davide, Jr., *C.J. (Chairman)*, Quisumbing, Carpio, and Azcuna, *JJ.*, concur.

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[1] Rollo p. 45.
[2] Penned by Associate Justice Romeo A. Brawner (Chairman), concurred in by Associate Justices Eliezer de los Santos and Rebecca de Guia-Salvador, Special Thirteenth Division, Court of Appeals.
[3] CA Rollo, p. 64.
[4] Rollo, p. 158.
[5] Id., p. 203.
[6] Id., p. 50.
[7] Id., pp. 29-30.
[8] CA Rollo, Annexes "2"-"4", pp. 159-161.
[9] CA Rollo, Annexes "5"-"14", pp. 162-171.
[10] Rollo, Annexes "P" to "P-17", pp. 290-306.
[11] Supra, note 9.
[12] Supra, note 10.

[13] Columbus Philippine Bus Corporation vs. NLRC, G.R. Nos. 114858-59, 7 September 2001, 364 SCRA 606; Conti vs. NLRC, G.R. No. 119253, 10 April 1997, 271 SCRA 114.