

SECOND DIVISION

[G.R. No. 115569, May 27, 1997]

***GUINNUX INTERIORS, INC.AND/OR GABRIEL OLIVES, RAMON CARREON, FRED NERIT AND CIRILO CORBELLA, PETITIONERS, VS. THE NATIONAL LABOR RELATIONS COMMISSION (SECOND DIVISION) AND ROMEO C. BALAIS AND REYNALDO B. CAGSAWA, RESPONDENTS.**

D E C I S I O N

ROMERO, J.:

This is a petition for *certiorari* seeking to nullify the National Labor Relations Commission's decision dated September 30, 1993, which reversed the decision of the Labor Arbiter dated May 10, 1993, and its resolution dated April 7, 1994, which denied petitioners' motion for reconsideration.

As disclosed from the pleadings of the parties, the following facts are established.

Petitioner company (QII) is engaged in the furniture and interior design business. Private respondents Reynaldo Cagsawa and Romeo Balais were employed as laborers of QII on February 7, 1990, and June 20, 1990, respectively with the task of sanding, varnishing and installing furnitures.

Sometime in September 1990, QII was awarded the "SKYLAND PLAZA PROJECT," which was estimated to be completed within 120 days after its receipt of the downpayment. Private respondents were assigned in this project to do "finishing touches" and occasional installation on the furnitures.

On December 31, 1991, however, Balais was dismissed by QII because the project was already nearing completion and he was not a regular employee. Cagsawa, on the other hand, was dismissed on March 19, 1992 on the same ground. Hence, on July 21, 1992, they filed a complaint against QII for illegal dismissal, underpayment of wages, 13th month pay, service incentive leave pay, with a prayer for moral and exemplary damages with the Arbitration Branch of the NLRC. On May 10, 1993, Labor Arbiter Jovencio Mayor dismissed the complaint for lack of merit on the ground that as project employees, private respondents can be separated from service after the completion of the project.

On appeal, the NLRC reversed the findings of the Labor Arbiter, rendered a new judgment declaring that private respondents have attained the status of regular employees and that their subsequent dismissal was illegal under the circumstances, and ordered QII to reinstate them to their former positions without loss of seniority rights and with full back wages. As stated at the outset, QII's motion for reconsideration was later denied by the NLRC for lack of merit.