

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Jul 11, 2018
2. SEC Identification Number
38683
3. BIR Tax Identification No.
000-315-612-000
4. Exact name of issuer as specified in its charter
The Philodrill Corporation
5. Province, country or other jurisdiction of incorporation
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
8/F Quad Alpha Centrum, 125 Pioneer St., Mandaluyong City
Postal Code
1550
8. Issuer's telephone number, including area code
631-8151
9. Former name or former address, if changed since last report
N.A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

| Title of Each Class | Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding |
|---------------------|---|
| Common | 191,868,805,358 |
11. Indicate the item numbers reported herein
Item 9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.





The Philodrill Corporation OV

PSE Disclosure Form 4-26 - Legal Proceedings
References: SRC Rule 17 (SEC Form 17-C) and
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Motion to Quash Writ of Execution filed by The Philodrill Corporation (Philodrill).

Background/Description of the Disclosure

Pursuant to the Notice (For Compliance to Writ of Execution) issued by Sheriff Jonie Anthony C. Montes, Enforcement and Execution Unit of the NLRC NCR, relative to the Writ of Execution issued by the Honorable Labor Arbiter Renaldo O. Hernandez, for the recovery of the complainant's monetary award, Philodrill has exercised its legal right to file the Motion to Quash Writ of Execution, with alternative prayer to set another pre-execution conference.

Philodrill seeks reconsideration of the issuance of a Writ of Execution dated 06 July 2018 as the Writ should be quashed considering that there has been a change in the situation of the parties making execution inequitable or unjust.

Withholding taxes should be deducted on the monetary judgment to be executed, as the complainant's entire retirement benefit from Philodrill is subject to income tax. His supposed special retirement benefit and his regular retirement pay are subject to tax, it being discovered that he previously received a tax-exempt retirement benefit from another Company. Under Section 32 (B)(6)(a) of the National Internal Revenue Code and Republic Act No. 4917, retirement benefits shall be exempt from income taxation, provided that such exemption "shall be availed of by an official or employee only once".

The Writ of Execution issued by the Honorable Labor Arbiter should have been for the monetary award net of the aforementioned appropriate and applicable income tax thereon, which will be withheld by respondent Philodrill for remittance to the BIR. As the Writ of Execution is unqualified regarding the net amount due to complainant, the same must and should be quashed.

The Company submits that the issue concerning the tax implications of the judgment award is a sufficient supervening cause for the suspension of the execution of the assailed NLRC Decision, as it effectively renders execution unjust, impossible, and inequitable on the part of respondents.

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|---|---|
| Name of the court or agency in which the proceedings are pending | National Labor Relations Commission |
| Date Instituted | Feb 22, 2017 |
| Docket Number | NLRC-NCR-02-02562-17 / LAC No. 10-003221-17 |

Principal Parties

Francisco A. Navarro - Complainant
The Philodrill Corporation/Alfredo C. Ramos and Reynaldo E. Nazarea - Respondents

Nature and description of the legal proceedings

Mr. Navarro is claiming special retirement benefit amounting to P19,893,000.00, profit share of P1,391,721.00 and litigation expenses of at least P2,128,472.10. He is also claiming moral and exemplary damages amounting to P20,000,000.00

The effect(s) on the Issuer's business or operations, if any

The Company believes these claims are without basis, as Mr. Navarro has been paid his full retirement benefits in accordance with the Company's approved Retirement Plan. Mr. Navarro has executed a quitclaim on January 11, 2017 in favor of Philodrill, attesting to the fact that he has no further claims against the Company, after receiving all his retirement benefits.

This however, will not affect the business operations of Philodrill.

Other Relevant Information

The filing of this Motion to Quash Writ of Execution is without prejudice to the pending Petition for Certiorari with Prayer for issuance of TRO and/or Writ of Preliminary Injunction, which has been submitted for resolution by the Special Fifth Division of the Court of Appeals (CA-G.R. SP155889). The Petition assails the NLRC decision as being null and void for having been issued in excess of jurisdiction and tainted with grave abuse of discretion.

Filed on behalf by:

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| Name | Josephine Ilas |
| Designation | Assistant Corporate Secretary |