

**State-appointed authorities under the Payment of Gratuity Act, 1972 lack jurisdiction to adjudicate gratuity claims where the establishment has branches in more than one State, as in such cases the Central Government is the “appropriate government” under the Act**

The **Delhi High Court** in the case of **M/S CSAT System (P) Ltd v. Appellant Authority Under The Payment Of Gratuity Act [W.P.(C) 11251/2015]** dated **February 10, 2026**, has held that State-appointed authorities under the Payment of Gratuity Act, 1972 lack jurisdiction to adjudicate gratuity claims where the establishment has branches in more than one State, as in such cases the Central Government is the “appropriate government” under the Act. The Court held so, while dealing with an employer's plea questioning the jurisdiction of the Controlling Authority (CA) appointed by the Delhi government under Payment of Gratuity Act, 1972, to decide its employee's claim for gratuity.

The Court referred to Section 2(a) which defines ‘appropriate Government’ and held that it vests such authority in the Central Government in cases where the establishment or factory belongs to or is under its control, where an establishment has branches in more than one State, or where the undertaking relates to specified sectors such as major ports, mines, oilfields, or railway companies. In all remaining cases, where none of these conditions are attracted, the State Government is designated as the appropriate Government to exercise jurisdiction under the Act.