

## Calculating Exempt Gratuity

$$\begin{aligned}\text{Salary} &= \text{Basic} + \text{DA} \\ &= 42000 + 23000 \\ &= 65,000 \text{ p.m.}\end{aligned}$$

$$\begin{aligned}\therefore 65000 &\times \frac{15}{26} \times 32 \\ &= \boxed{12,00,000}\end{aligned}$$

$$\begin{aligned}\text{Taxable Gratuity} &= \text{Actual Gratuity} - \text{Exempt Gratuity} \\ &= 17,00,000 - 12,00,000 \\ &= \boxed{5,00,000}\end{aligned}$$