

Anil's Taxable Gratuity Computation

	Amt
Actual Gratuity Received	17 00 000
(-) Exempt Gratuity	
(i) Actual Gratuity (17 00 000)	
(ii) Calculated Gratuity	
(Salary $\times \frac{15}{26} \times \text{no years}$)	
(65 000 $\times \frac{15}{26} \times 32$)	
(12,00,000)	
(iii) Standard Gratuity	
(20,00,000)	

Consider (ii) as least (12 00 000) (12,00,000)

Taxable Gratuity 5,00,000

\therefore Exempt Gratuity 12 00 000
Taxable Gratuity 5 00 000

Working note (ii) Cal Gratuity = Salary = Basic + DA
 $= 42000 + 23000$
 $= 65000$
 $= 65000 \times \frac{15}{26} \times 32$ [Exceeds 6 months, Consider next year]
 $= 12 00 000$