

## Union Mutual Fund

Union Asset Management Company Private Limited  
Investment Manager for Union Mutual Fund

Corporate Identity Number (CIN): U65923MH2009PTC198201

Registered Office: Unit 503, 5<sup>th</sup> Floor, Leela Business Park,  
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### **AMENDMENT TO THE STATEMENT OF ADDITIONAL INFORMATION OF UNION MUTUAL FUND**

Union Asset Management Company Pvt. Ltd. ("the AMC"), the Investment Manager to Union Mutual Fund, hereby makes the following amendments to the Statement of Additional Information ("SAI") dated June 26, 2019 and subsequent Amendments to the SAI issued before the date of this Amendment:

#### **Taxation on investing in Mutual Funds:**

The following changes are hereby made in Section V 'Tax & Legal & General Information', sub-section A 'Taxation on investing in Mutual Funds':

- i) The existing text under sub point 'b', 'Income Distribution Tax', under point (i) 'To the Mutual Fund'

is hereby replaced with the following text:

*"From A.Y. 2021-22 (Previous Year 2020-21) onwards, any income distributed by the Mutual Fund to resident unit holders, will be subject to TDS @ 10%. The TDS shall not be deductible in the following cases:*

- 1) *Where income distributed does not exceed INR 5,000/-*
- 2) *Where income distributed is in nature of Capital Gains.*

*Further, income distributed to Non Resident Unit Holders, will be subject to TDS @ 20% plus applicable surcharge and Health and Education Cess."*

- ii) The existing text under sub point 'a', 'Income received from Mutual Fund', under point (ii) 'To the unitholders' is replaced with the following text:

*"From AY 2021-22 (Previous Year 2020-21) onwards, any income received from the Mutual Fund shall be taxable in the hands of unitholders.*

*Dividend income received by unit holders will be taxable under the head 'Income from other sources' or 'business income' depending on the classification of the said units by the unit holder. It would depend on whether the unit holder has classified such units as capital assets or as stock in trade.*

*Further, the characterization of gains / losses arising from transfer/ redemption of units as capital gains or business income would depend on the classification of the said units by the unit holder. It would depend on whether the unit holder has classified such units as capital assets or as stock in trade."*

- iii) The existing text under the sub heading 'In case of Equity Oriented Fund' under the heading 'Long Term Capital Gains', sub point 'b', 'Capital Gain Tax', under point (ii) 'To the unitholders' is replaced with the following:

*"From A.Y. 2019-20 (F.Y. 2018-19) any Long Term Capital Gains arising on transfer of unit of an equity oriented mutual fund will be taxable at 10% without indexation benefit of such capital gains exceeding Rs.1,00,000/-. No Chapter VI-A deduction or rebate will be allowed from this capital gains.*

*Companies are required to include such long term capital gains in computing the book profits and minimum alternate tax liability under section 115JB of the Act."*

- iv) The existing tables under the heading 'Long Term Capital Gains', under the sub-heading 'In case of Schemes other than Equity Oriented Funds', under sub point 'b', 'Capital Gain Tax', under point (ii) 'To the unitholders' hereby stands replaced with the following tables:

# The maximum amounts of total income, not chargeable to tax would be as under:

Type of person	Maximum amount of income not chargeable to tax
Individuals (other than senior citizen /very senior citizen), HUF, BOI, Artificial Juridical persons (other than society, local authority)	2,50,000
Resident Senior Citizen (age from 60 but less than 80 years)	3,00,000
Resident Super Senior Citizen (age 80 years and above)	5,00,000
Individuals/HUF opting for taxation under Section 115BAC	2,50,000

The tax as calculated above shall be increased by a surcharge as under:

Type of person	Surcharge (%)
Company other than domestic company with income exceeding ₹ 1 crore but upto ₹ 10 crore in a year	2*
Company other than domestic company with income exceeding ₹ 10 crore in a year	5*
Domestic company with income exceeding ₹ 1 crore but upto ₹ 10 crore in a year	7*
Individuals, HUF or Association of Persons (AOP), Body of Individuals (BOI) and Artificial Juridical Person where income exceeds ₹ 50 Lakh but upto ₹ 1 crore.	10*
Domestic company with income exceeding ₹ 10 crore in a year	12*
Individuals, HUF or Association of Persons (AOP), Body of Individuals (BOI) and Artificial Juridical Person where income exceeds ₹ 1 crore.	15*

Type of person	Surcharge (%)
Partnership firms including LLPs, Local Authorities Co-operative societies where income exceeds ₹ 1 crore	12*
Individuals, HUF or Association of Persons (AOP), Body of Individuals (BOI) and Artificial Juridical Person where income exceeds ₹ 2 crore but upto ₹ 5 crore.	25* {The maximum rate of Surcharge for income referred to in section 111A, 112A and 115AD shall be levied at the rate of 15%}
Individuals, HUF or Association of Persons (AOP) and Body of Individuals (BOI) and Artificial Juridical Person where income exceeds ₹ 5 crore.	37* {The maximum rate of Surcharge for income referred to in section 111A, 112A and 115AD shall be levied at the rate of 15%}

- v) The existing tables under the heading 'Short Term Capital Gains', under the sub-heading 'In case of Equity Oriented Funds', under sub point 'b', 'Capital Gain Tax', under point (ii) 'To the unitholders', hereby stands replaced with the following tables:

Type of person	Surcharge (%)
Company other than domestic company with income exceeding ₹ 1 crore but upto ₹ 10 crore in a year	2*
Company other than domestic company with income exceeding ₹ 10 crore in a year	5*
Domestic company with income exceeding ₹ 1 crore but upto ₹ 10 crore in a year	7*
Individuals, HUF or Association of Persons (AOP), Body of Individuals (BOI) and Artificial Juridical Person where income exceeds ₹ 50 Lakh but upto ₹ 1 crore.	10*
Domestic company with income exceeding ₹ 10 crore in a year	12*
Individuals, HUF or Association of Persons (AOP), Body of Individuals (BOI) and Artificial Juridical Person where income exceeds ₹ 1 crore.	15*
Partnership firms including LLPs, Local Authorities Co-operative societies where income exceeds ₹ 1 crore	12*
Individuals, HUF or Association of Persons (AOP), Body of Individuals (BOI) and Artificial Juridical Person where income exceeds ₹ 2 crore but upto ₹ 5 crore.	25* {The maximum rate of Surcharge for income referred to in section 111A, 112A and 115AD shall be levied at the rate of 15%}
Individuals, HUF or Association of Persons (AOP) and Body of Individuals (BOI) and Artificial Juridical Person where income exceeds ₹ 5 crore.	37* {The maximum rate of Surcharge for income referred to in section 111A, 112A and 115AD shall be levied at the rate of 15%}

- vi) The following text is hereby inserted after the existing text under the sub-heading 'In case of Schemes other than Equity Oriented Funds', under the heading 'Short Term Capital Gains', under sub point 'b', 'Capital Gain Tax', under point 'To the unitholders':

- The Finance Act, 2020 has inserted a new section 115BAC to provide an option to Individuals /HUF to pay tax under new regime at reduced rates as under:

Where total income for a tax year (April to March) is less than or equal to ₹ 2,50,000	Nil
Where such total income is more than ₹ 2,50,000 but is less than or equal ₹ 500,000	5% of the amount by which the total income exceeds ₹ 2,50,000
Where such total income is more than ₹ 5,00,000 but is less than or equal ₹ 7,50,000	₹ 12,500 plus 10 per cent of the amount by which the total income exceeds ₹ 5,00,000
Where such total income is more than ₹ 7,50,000 but is less than or equal to ₹ 10,00,000	₹ 37,500 plus 15 per cent of the amount by which the total income exceeds ₹ 7,50,000
Where such total income is more than ₹ 10,00,000 but is less than or equal to ₹ 12,50,000	₹ 75,000 plus 20 per cent of the amount by which the total income exceeds ₹ 10,00,000
Where such total income is more than ₹ 12,50,000 but is less than or equal to ₹ 15,00,000	₹ 1,25,000 plus 25 per cent of the amount by which the total income exceeds ₹ 12,50,000
Where such total income is more than ₹ 15,00,000	₹ 1,87,500 plus 30 per cent of the amount by which the total income exceeds ₹ 15,00,000

- vii) The following text under point (ii) under the heading 'Short Term Capital Gains', under the sub-heading 'In case of Schemes other than Equity Oriented Funds', under sub point 'b', 'Capital Gain Tax', under point 'To the unitholders':

"Section 87A of the Income Tax Act, provides for a rebate of an amount of ₹ 2,500/- or tax payable whichever is lower on the amount of tax in case of Resident Individual having Total Income not exceeding ₹ 3,50,000."

is hereby replaced with the following:

"Section 87A of the Income Tax Act, provides for a rebate of an amount of ₹ 12,500/- or tax payable whichever is lower on the amount of tax in case of Resident Individual having Total Income not exceeding INR 5,00,000/-."

- viii) The following text under point (iii) under the heading 'Short Term Capital Gains', under the heading 'In case of Schemes other than Equity Oriented Funds', under sub point 'b', 'Capital Gain Tax', under point 'To the unitholders':

"The short term capital gains arising to a local authority, being a resident, are taxed at the effective rate 31.2% (30% plus health and education cess of 4% on the tax)."

is hereby replaced with the following:

"The short term capital gains arising to a local authority, being a resident, are taxed at 30% plus applicable surcharge and health and education cess of 4% on the tax and surcharge."

- ix) The following text is hereby inserted under point (iv) under the heading 'Short Term Capital Gains', under the sub-heading 'In case of Schemes other than Equity Oriented Funds', under sub point 'b', 'Capital Gain Tax', under point 'To the unitholders':

*"The Finance Act, 2020 has inserted a new section 115BAD in Income-tax Act to provide an option to the resident co-operative societies to get taxed at the rate of 22% plus 10% surcharge and 4% cess. The Co-operative societies opting for the new regime of taxation shall pay tax on short term capital gain at the rate of 22% plus 10% surcharge and 4% cess."*

- x) The following text is hereby deleted:

***"Exemption from long term capital gains***

*In respect of long term capital gains arising from sale of units in respect of schemes other than equity oriented fund schemes, exemption may be claimed as under: From A.Y. 2019-20 onwards, section 54EC of the Act will be available on transfer of a long term capital asset being land or building or both."*

It may be noted that necessary/incidental changes, as applicable, in the above regard shall be made in the SAI of Union Mutual Fund.

The SAI shall stand modified to the extent mentioned above. This amendment shall form an integral part of the SAI. All other terms and conditions mentioned in the SAI remain unchanged

For **Union Asset Management Company Private Limited**

(Investment Manager for Union Mutual Fund)

May 14, 2020

Sd/-

**Authorised Signatory**

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**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**

**Statutory Details: Constitution:** Union Mutual Fund has been set up as a Trust under the Indian Trusts Act, 1882; **Sponsors:** Union Bank of India and Dai-ichi Life Holdings, Inc.; **Trustee:** Union Trustee Company Private Limited [Corporate Identity Number (CIN): U65923MH2009PTC198198], a company incorporated under the Companies Act, 1956 with a limited liability; **Investment Manager:** Union Asset Management Company Private Limited [Corporate Identity Number (CIN): U65923MH2009PTC198201], a company incorporated under the Companies Act, 1956 with a limited liability.

Copy of all Scheme Related Documents along with the application form can be obtained from any of our AMC offices/Customer Service Centres/distributors as well as from our website [www.unionmf.com](http://www.unionmf.com).