Anusandhanvallari
Vol 2022, No.1
March 2022
ISSN 2229-3388

Analysis of Housing Loan in Financial Sector with Special Reference to the Income Tax Assessee of Entrepreneurs

[1]S. Kasthuripriya, [2]Dr. M.Jaisun

[1]Research Scholar

[2]Assistant Professor

Department of Business Administration V.H.N.Senthikumar nadar College Virudhunagar

Abstract: This paper attempts to study performance of analysis of housing loan in financial sector with special reference to the income tax assessee of entrepreneurs.self-employed borrowers availing housing loan at higher interest rates can also consider transferring their housing loan at lower interest rates. Under Section 80C of the Income Tax Act(as amended up to date), any principal repayment made towards a home loan of a self-occupied property, up to a maximum of Rs.1,50,000 per assessment year is exempt (under the overall deduction under Section 80C up to Rs.1.50 laces for the financial year.

Keywords: entrepreneurs, self-employed borrowers,Tax benefits

Introduction

Entrepreneurs can get housing loans with as much ease those with regular income. Lender have designed housing loan product specifically to meet the requirement of the self-employed. Self-employed individual are eligible to apply for housing loan, either individually or jointly. While all proposed owned of the property will have to be co applicant all co applicant need be co owner.as you are self-employed your ability to generate income is a crucial factor. The lender look for profitability of your enterprise and also the number of year you have been successful operating the business. This entire element will be judged by the lender from your IT returns. The Income tax Act under section 80C,24, 80EE provides benefit to the borrowers by way of deduction on taxable income on the installments (principal and interest) paid on housing loans.

In general there are two categories of self-employed individuals: Professional and non –Professional.

Professional includes doctors, engineers, lawyers, who are educationally qualified in their domain and have set up their own business.

Self-employed nonprofessionals include traders, contractors, and commission agents in their area of business.

Statement Of The Problem

Entrepreneurs encounter is the difficulty in providing stable income documatation.and solid credit history aspect that can be elusive for those without a paycheck. Overall financial they may be reflecting the income of those with variable of irregular earning.

Objective Of The Study

1. To study the socio-economic profile of the self-employed respondents
2. To study the housing loan borrowers for availing of such loan from public and private sector banks self-employed
3. To offer suggestions for the improvement of housing loan schemes in public and private sector banks reference self employed

Data Collection

Primary Data:

Primary data are collected through the responses of the students through questionnaires which were specially prepared for this study. The questionnaire contained questions regarding the general and socio-economic characteristics of the respondents such as age, religion, educational qualification, etc. and also about their reason for taking home loan, term, rate of interest, procedure etc.

Secondary Data:

There was extensive use of secondary information in the form of books, articles published in magazines, journals, newspaper, reports of Bank of Baroda and The Chennai people's co-op Bank Ltd., websites, circulars, pamphlets of the banks, Clippings etc. Sampling Design Our sampling frame for the survey is from Entrepreneurs applying housing in Madurai city.

Sampling Method:

Research of the study survey was on randomly selected people around us and has collected the data. Our survey tool was questionnaire.

Survey Method:

On survey method was questionnaire. Our response rate was 50

Analysis And Interpretation Of Data

Table 1 Gender Wise Classification Of Respondents

Gender	Frequency	Percentage (%)
Male	27	54
Female	23	46
Total	50	100

Interpretation

It is clear that a majority of 54 per cent are Male and 46 per cent are Female.

Levels Of Employment Respondents

Table 2

Levels of Employment	Frequency	Percent
State government Employee	23	46
Business	14	28
Private employee	13	26
Total	50	100

Primary Source

Interpretation

It is clear that, out of 50 respondents, a major proportion (46%) of the respondents are employed in State government, and 13.1% are central government employees and 13 % are Private employee, 14 % of the respondents are business.

ANOVA

Customer Satisfaction Towards Housing Loan:

Analysis of which is a variance, the common name given to set of techniques for studying the cause and effect of one or more factors on a single dependent variable. ANOVA is used when the independent variables are not nominal scale (categorical) and the dependent variable is metric (continuous). In the present study, one-way (one factor) ANOVA was used to test the following null hypothesis.

The ANOVA test has been used to analyses the difference between the categories of considered, Housing loan Processing and administration fee charge in banks , Fixed & floating Rate of interest ,Mode of payment for housing loan, Tax benefit getting on 24B,Tax benefit on 80c

Ho1- There is no significant difference among the respondents' age and customer satisfaction among the housing loan

The above table clearly indicates that among those variables considered: Housing loan Processing and administration fee charge in banks , Fixed & floating Rate of interest ,Mode of payment for housing loan, Tax benefit getting on 24B,Tax benefit on 80c the p values ($p<0.05$) at 0.05 significance level.

Hence it is concluded that there is a significant relationship between levels of customer satisfaction of the housing loan. So, the null hypothesis is rejected

Suggestion of the study

During the housing loan process self-employed borrower should emphasis their financial stability through consistent income, substantial saving, common misconception about housing loan for the self emplyed,Guidance from financial experts, well educated & proper trained to convince the people about different advance product,housing Loan sanction date should be according to customer convenient. The researcher attempted to identify the benefits of assessee those who enjoy tax deductions on housing loans. The assessee or an individual has less knowledge and assessee the section and deduction of the Housing Loan Income Tax Act.

Conclusion

In conclusion the research study on housing loan for entrepreneurs involves through unique challenge from addressing documation requirement to choosing financial institution and benefits of housing loan for the self employed are long term financial stability . Because of the important influence of the interest rate of the deposit window on the size of the bank credit, it is necessary that the central bank maintain low levels of the interest rate of the deposit window so as not to constitute a profitable alternative to commercial banks, which prompts them to reduce their deposits in the window and increase the credit facilities granted.

References

[1] Prof. Rekha. D. M1, Gangamma. S.E:, A Study on Housing Loan Evolution and Performance in India, International Journal of Trend in Scientific Research and Development (IJTSRD) Volume: 3 | Issue: 4 | May-Jun 2019 Available Online: www.ijtsrd.com e-ISSN: 2456 – 6470,Pp:704-705

[2] C.R. Kothari, Gaurav Garg, Research Methodology, Methods and Techniques, New Age International Publishers,dehil,india,1 September 2019, pp:2-32

[3] R. Kavita Rao: Income Tax Incentives to Housing Sector, National Institute of Public Finance and Policy 18/2, Satsang Vihar Marg, New Delhi 110067. pp:25-28

[4] Dr. H.C. Mehrotra, Dr. S.P. Goyal: Income Tax Law & Accounts, Sahitya Bhawan Publications, ISBN: 9789351735267, 9351735265, Edition: 63rd, 2022, pp-2.1-2.10

[5] G. Sekar (Author), B. Saravana Prasath (Author): Handbook on Taxation: For CA Inter/IPCC, Wolters KluwerIndiaPvt.Ltd.,978-9387963986, 1 September 2018,P:23