

A STUDY ON INVESTORS AWARENESS LEVEL REGARDING SAVING SCHEMES OF PUBLIC SECTOR BANKS: WITH SPECIAL REFERENCE TO REWARI DISTRICT OF HARYANA

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Abstract

The Bank is well-known as a secure, trustworthy, and traditionally formal institution that offers investment options. This study focused on the investor's awareness level regarding saving schemes of public sector banks in Rewari District of Haryana. This study, uses Exploratory cum Descriptive research approach, with a sample size of 300 respondents using structured questionnaires and secondary sources such as published articles and the annual report of the RBI. A comprehensive statistical analysis using the Pearson Chi-Square test has been applied to test across various demographics like Area of residence, Gender, Age-group and Education and Income level assess the association in Level of awareness in several critical aspects on Saving Schemes of Banks. The study concluded that investor awareness of saving schemes in public sector banks varies significantly across key areas such as interest rates, investment periods, maturity periods, and partial withdrawal options. These disparities highlight the need for improved financial literacy and communication. However, consistent awareness was noted regarding the minimum required amount, indicating effective messaging in this area. Overall, the findings emphasize the importance of inclusive financial education to ensure all investors can make informed decisions.

Keywords: Awareness, Investors, Public sector banks, Nationalization, Saving Schemes.

Introduction

A country's banking network is referred to as a bonded structure of financial institutions. The holding of banks, the design of the financial state, the duties carried out, and the customs of business are all covered. The financial institutions and central banks are the components of the banking network. Commercial banks take deposits, and investment banks handle capital market concerns and trading, loans, and advances, and the central bank, among many other tasks, including currency issuance, oversees the banking system by establishing monetary policies. A banking network may also refer to a system provided by the bank that assists clients with cash management services and reports the activities of their portfolios and accounts on an ongoing basis. A banking company is defined as "any company which transacts the business of banking" by the Indian Banking Company Act of 1949. Banking is the act of taking deposits from the general public for lending or investing, repayable on demand or otherwise, and withdrawable by check, draft, or other means

As it embarked on a road of planned economic advancement as soon as it gained independence, India, like any other country, needed a strong and efficient financial system to accommodate the different demands of credit and development. To achieve this goal, it used a diverse pattern of economic growth and constructed a financial infrastructure to support it. There aren't many instances of success like it in the world, particularly in terms of democratising banking and transforming the financial sector into an effective weapon for advancing public policy. The banking sector quickly expanded in terms of presence and penetration in the 20 years following bank nationalisation in 1969, which was impressive. By 1980, the majority of the nation's financial activity was in the hands of public-sector banks.

All public-sector banks had an outstanding branch network by March 1992, with 60,646 locations across the whole nation. Early in the 1990s, it became evident that the efficiency of the financial system could not be gauged only by quantitative growth in the form of branch expansion and increases in deposits and advances. This was true even as the banking system's branch network expanded quickly. Indian banks and financial institutions operate in a highly protected and regulated environment, yet their financial stability and operational effectiveness for short of international norms. Corrections were required as a result of internal and international changes, especially to improve the financial system and bring it into line with institutions overseas.

The government owns a sizable shareholding– 51% or more– in public sector banks. The majority ownership of these banks is held by the Indian government. Such PSBs are owned by the government, which is also in charge of exercising management supervision over the businesses. With a 72% market share, public-sector banks dominate the Indian banking system. The combination will help the economy to grow and improve production and efficiency. Two of the biggest public sector banks, SBI and PNB, were selected for the study as part of the present research.

Review Literature

(Sushmitha & Jayabal, 2023), “A Study on Women Investors' Awareness towards Investment”, the focus of this research was on finding out working women’s awareness of different investing opportunities in Chennai. To collect data for the study, 356 working women in various sectors completed a standardized questionnaire. The data was analyzed using chi-square tests and exploratory component analysis. It was concluded that investing awareness and financial discernment were significantly correlated. According to the study’s conclusion, the majority of working women decided to make their investments through conventional routes.

(Bhadauriya, 2022), “Customer satisfaction in public and private sector banks: A case study NCR”, study examined the association between customer satisfaction in public and private banks on five quality dimensions-tangibility, dependability, responsiveness, assurance, and empathy- by using the Service quality gap model (SERVQUAL). The study found that dependability and empathy characteristics had a significant influence on their satisfaction, regardless of whether they were speaking of public or private sector banks. As a result, banks should concentrate on these areas of their service offerings.

(P & A, 2020), “A Study on Investor's Awareness towards Various Saving Schemes Offered by SBI”, this study showed the awareness about the various saving schemes provided by SBI. It was concluded that the majority of the respondents invested in various saving accounts of SBI moreover the customers were interested in investing in SBI old scheme to meet future contingencies. The researcher found that the Coimbatore city SBI customers were highly satisfied with the SBI Tax Saving schemes and SBI’s multi-optional deposit scheme (MODS).

(Agarwal, Vipin Jain, & Goel, 2020), “Awareness and Investment Preferences of Women: An Empirical Study on Working and Non-Working Females”, this research aimed to ascertain women’s investing choices and awareness levels. The researchers selected working

women from diverse sectors as well as non-working women as respondents for their study. The outcome of the study indicated that though women were aware of outdated schemes, they also concluded that tax savings schemes were a significant factor in raising purchasing power. The majority of women relied more on provident funds and life insurance policies than other ways to save money on investments and taxes.

(S. Gurav, 2017), “A study of investment awareness and avenues especially through banks concerning Lchalkaranji city”, through the collection of primary and secondary data, the researcher gathered crucial information. The study included structured questionnaires, and a random selection technique was used to select of 100 Respondents. It was found that regular and large returns on investment were the main objectives of the vast majority of respondents when it came to savings. The majority of respondents strongly agreed that they should save money for future security, and it was discovered that most of them made a comfortable enough monthly income to consider investing.

Research Methodology

The term 'Research Methodology' refers to the precise periods or methods used to gather, select, manage, and analyze data on a certain subject. The methodology section of a research paper helps the reader to assess the study's overall validity and dependability.

Research Objective

To find out the level of awareness among the investors regarding saving schemes of public sector banks.

Research Design

The Study is Exploratory cum Descriptive in Nature.

Hypothesis

H₁: There is a significant difference between the levels of awareness of the investors regarding Public Sector Banks' saving schemes.

Data Collection

A systematic questionnaire was developed to assess investors' understanding of numerous essential features, including interest rates, minimum investment amounts, Investment periods, maturity periods, and partial withdrawal alternatives. The study included both primary and secondary data collecting methods. The primary data was acquired via a planned questionnaire filled out by investors in public sector banks in Haryana's Rewari District. Secondary data was acquired from a variety of online and offline sources, including journals, research papers, periodicals, and articles. A sample of 300 respondents from the Rewari District of Haryana was obtained.

Statistical Tools

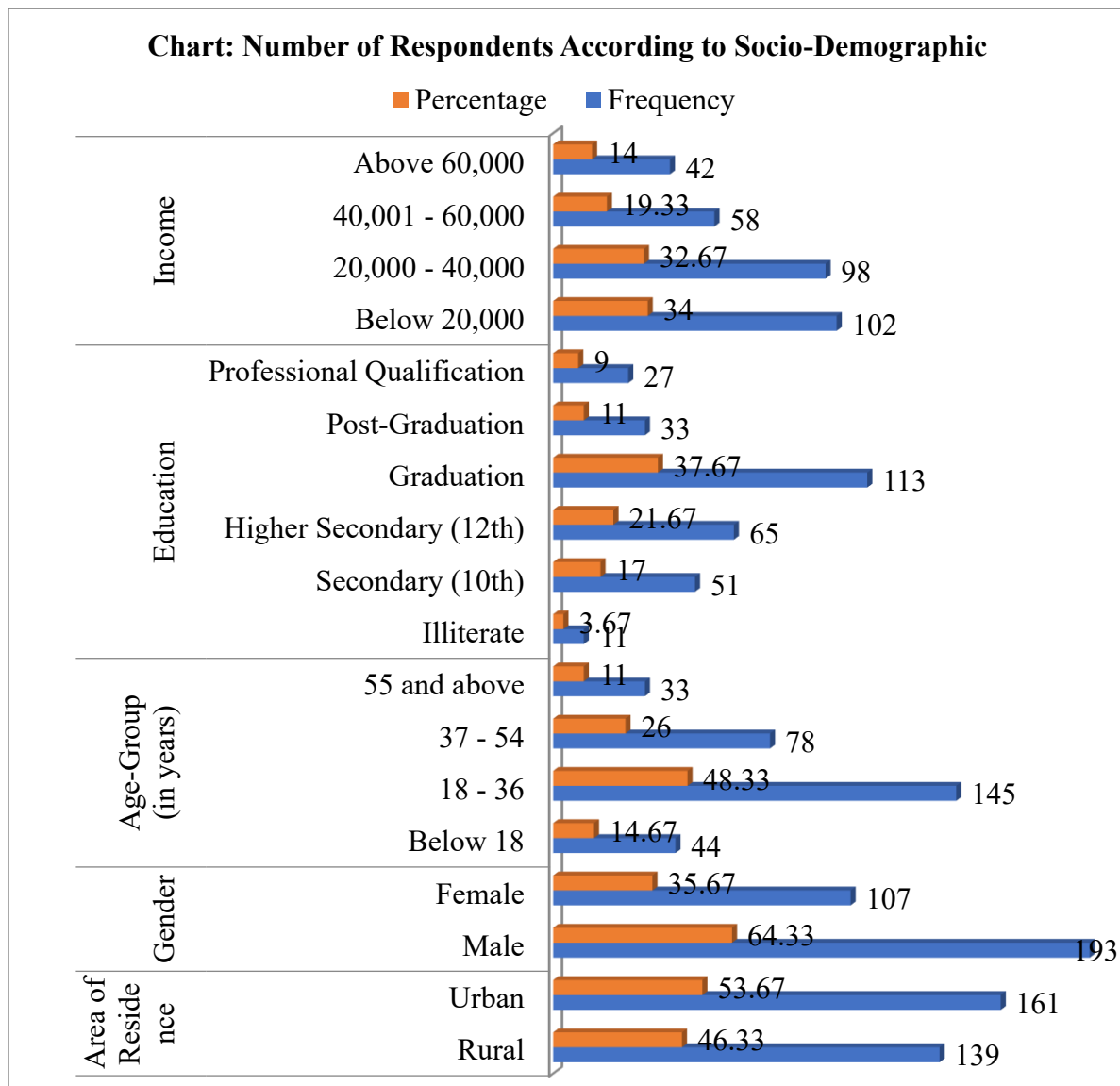
The purpose of the study is to assess investors' regarding Public Sector Banks' saving schemes in the Haryana district of Rewari. IBM SPSS-20 was used to further analyze the information gathered from the scheduled questionnaire. The statistical methods used in data analysis include the chi-square test and descriptive statistics.

Analysis and Interpretation

Demographic Profile

Variable	Parameter	Frequency	Percentage
Area of Residence	Rural	139	46.33
	Urban	161	53.67
Gender	Male	193	64.33
	Female	107	35.67
Age-Group (in years)	Below 18	44	14.67
	18 – 36	145	48.33
	37 – 54	78	26
	55 and above	33	11
Education	Illiterate	11	3.67
	Secondary (10th)	51	17
	Higher Secondary (12th)	65	21.67
	Graduation	113	37.67
	Post-Graduation	33	11
	Professional Qualification	27	9

Income	Below 20,000	102	34
	20,000 - 40,000	98	32.67
	40,001 - 60,000	58	19.33
	Above 60,000	42	14



Source: Primary Data

The above table and the chart above the total 300 respondents shows that among the respondents of banks, 46.33% are rural and 53.67% are residing in urban, and among the bank respondents, 64.33% are male, and 35.67% are female. Among bank respondents, 14.67% are from the below 18 years age group, 48.33% are from the 18-36 year age group, 26% are from the 37-54 year age group, and the remaining 11% are 55 and above years. Among the bank

respondents, 3.67% are illiterate, 17% are 10th pass, 21.67% are 12th pass, 37.67% are graduates, 11% are postgraduates, and the remaining 9% possess a professional degree. Among the bank respondents, 34% earn less than 20,000 per month, 32.67% earn from 20,000-40,000 per month, 19.33% earn from 40,001-60,000 per month, and the remaining 14% earn more than 60,000 per month.

Collected information and data are coded and entered into the SPSS software. Data analysis was performed by using the statistical package SPSS software 24 version. The measurement scale was divided into two score zones. If the sum of all the responses ranges between 0-4 respondents shall be considered Aware and value “0” will be marked, 5-9 respondents shall be considered unaware, and value “1” shall be marked. Chi-square tests are determined to accept or reject the hypotheses of this study.

Table 1 Demographic variables and Investors' Awareness Regarding Rate of Interest

	Rate of Interest	Test	Value	df	P-Value	Decision
1.	The significant difference between the awareness levels of Rural and Urban respondents	Pearson Chi-Square	31.110	1	.000	Retain the Alternative Hypothesis
2.	The significant difference between the awareness levels of Male and Female respondents	Pearson Chi-Square	20.050	1	.000	Retain the Alternative Hypothesis
3.	The significant difference between the awareness levels of different Age groups of respondents	Pearson Chi-Square	15.871	3	.001	Retain the Alternative Hypothesis
4.	The significant difference between the awareness levels of different Education levels of respondents	Pearson Chi-Square	21.688	5	.001	Retain the Alternative Hypothesis
5.	The significant difference between the awareness levels of different Income levels of respondents	Pearson Chi-Square	.660	3	.882	Reject the Alternative Hypothesis

Source: Primary Data

*Sig.: at 5% level

Interpretation:

Table 1 shows the awareness among the investors regarding saving schemes (rate of interest) of banks. For the analysis of respondent awareness, the Pearson Chi-Square test has

been applied to test across various demographics like “Area of residence, Gender, Age group, Education levels, and Income levels”. The Pearson Chi-Square test found that Areas of residence, Gender, Age group, and Education levels have significant differences. The findings have been explained in the following:

- The Chi-square value is 31.110, P-value = .000, indicates that a significant difference between the Rural and Urban respondents' awareness regarding the rate of interest.
- The Chi-square value is 20.050, P-value = .000, indicates that a significant difference between the Male and Female respondents' awareness regarding the rate of interest.
- The Chi-square value is 15.871, P-value = .001, indicates that a significant difference between the Age groups respondents' awareness regarding the rate of interest.
- The Chi-square value is 21.688, P-value = .001, indicates that a significant difference between the Education levels in respondents' awareness regarding the rate of interest.
- The Chi-square value is .660, P-value = .882, indicates that no significant difference between the Income levels in respondents' awareness regarding the rate of interest.

Table 2. Demographic variables and Investors' Awareness Regarding Minimum Required Amount

	Minimum Required Amount	Test	Value	df	P-Value	Decision
1.	The significant difference between the awareness levels of Rural and Urban respondents	Pearson Chi-Square	.209	1	.648	Reject the Alternative Hypothesis
2.	The significant difference between the awareness levels of Male and Female respondents	Pearson Chi-Square	10.449	1	.001	Retain the Alternative Hypothesis
3.	The significant difference between the awareness levels of different Age groups of respondents	Pearson Chi-Square	5.606	3	.132	Reject the Alternative Hypothesis
4.	The significant difference between the awareness levels of different Education levels of respondents	Pearson Chi-Square	17.703	5	.003	Retain the Alternative Hypothesis

5.	The significant difference between the awareness levels of different Income levels of respondents	Pearson Chi-Square	11.508	3	.009	Retain the Alternative Hypothesis
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Source: Primary Data

*Sig.: at 5% level

Interpretation:

Table 2 shows the awareness among the investors regarding the saving schemes (minimum required amount) of banks. For the analysis of respondent awareness, the Pearson Chi-Square test has been applied to test across various demographics like “Area of residence, Gender, Age group, Education levels, and Income levels”. The Pearson Chi-Square test found that Gender, Education levels, and Income levels have significant differences. The findings have been explained in the following:

- The Chi-square value is .209, P-value = .648, indicates that no significant difference between the Rural and Urban respondents' awareness regarding the minimum required amount.
- The Chi-square value is 10.449, P-value = .001, indicates that a significant difference between the Male and Urban respondents' awareness regarding the minimum required amount.
- The Chi-square value is 5.606, P-value = .132, indicates that no significant difference between the Age groups respondents' awareness regarding the minimum required amount.
- The Chi-square value is 17.703, P-value = .003, indicates that a significant difference between the Education levels in respondents' awareness regarding the minimum required amount.
- The Chi-square value is 11.508, P-value = .009, indicates that a significant difference between the Income levels in respondents' awareness regarding the minimum required amount.

Table 3 Demographic variables and Investors' Awareness Regarding Investment period

	Investment Period	Test	Value	df	P-Value	Decision
1.	The significant difference between the awareness levels of Rural and Urban respondents	Pearson Chi-Square	.292	1	.589	Reject the Alternative Hypothesis

2.	The significant difference between the awareness levels of Male and Female respondents	Pearson Chi-Square	16.470	1	.000	Retain the Alternative Hypothesis
3.	The significant difference between the awareness levels of different Age groups of respondents	Pearson Chi-Square	8.287	3	.040	Retain the Alternative Hypothesis
4.	The significant difference between the awareness levels of different Education levels of respondents	Pearson Chi-Square	14.950	5	.011	Retain the Alternative Hypothesis
5.	The significant difference between the awareness levels of different Income levels of respondents	Pearson Chi-Square	14.142	3	.003	Retain the Alternative Hypothesis

Source: Primary Data

*Sig.:at 5% level

Interpretation:

Table 3 shows the awareness among the investors regarding the saving schemes (investment period) of banks. For the analysis of respondent awareness, the Pearson Chi-Square test has been applied to test across various demographics like “Area of residence, Gender, Age group, Education levels, and Income levels”. The Pearson Chi-Square test found that Gender, Age group, Education levels, and Income levels have significant differences. The findings have been explained in the following:

- The Chi-square value is .292, P-value = .589, indicates that no significant difference between the Rural and Urban respondents' awareness regarding the investment period.
- The Chi-square value is 16.470, P-value = .000, indicates that a significant difference between the Male and Female respondents' awareness regarding the investment period.
- The Chi-square value is 8.287, P-value = .040, indicates that a significant difference between the Age group respondents' awareness regarding the investment period.
- The Chi-square value is 14.950, P-value = .011, indicates that a significant difference between the Education levels in respondents' awareness regarding the investment period.
- The Chi-square value is 14.142, P-value = .003, indicates that a significant difference between the Income levels in respondents' awareness regarding the investment period.

Table 4 Demographic variables and Investors' Awareness Regarding Maturity Period

	Maturity Period	Test	Value	df	P-Value	Decision
1.	The significant difference between the awareness levels of Rural and Urban respondents	Pearson Chi-Square	4.234	1	.040	Retain the Alternative Hypothesis
2.	The significant difference between the awareness levels of Male and Female respondents	Pearson Chi-Square	14.818	1	.000	Retain the Alternative Hypothesis
3.	The significant difference between the awareness levels of different Age groups of respondents	Pearson Chi-Square	4.783	3	.188	Reject the Alternative Hypothesis
4.	The significant difference between the awareness levels of different Education levels of respondents	Pearson Chi-Square	13.285	5	.021	Retain the Alternative Hypothesis
5.	The significant difference between the awareness levels of different Income levels of respondents	Pearson Chi-Square	16.454	3	.001	Retain the Alternative Hypothesis

Source: Primary Data***Sig.:** at 5% level**Interpretation:**

Table 4 shows the awareness among the investors regarding the saving schemes (maturity period) of banks. For the analysis of respondent awareness, the Pearson Chi-Square test has been applied to test across various demographics like “Area of residence, Gender, Age group, Education levels, and Income levels”. The Pearson Chi-Square test found that Areas of residence, Gender, Education levels, and Income levels have significant differences. The findings have been explained in the following:

- The Chi-square value is 4.234, P-value = .040, indicates that a significant difference between the Rural and Urban respondents' awareness regarding the maturity period.
- The Chi-square value is 14.818, P-value = .000, indicates that a significant difference between the Male and Female respondents' awareness regarding the maturity period.
- The Chi-square value is 4.783, P-value = .188, indicates that no significant difference between the Age group respondents' awareness regarding the maturity period.

- The Chi-square value is 13.285, P-value = .021, indicates that a significant difference between the Education levels in respondents' awareness regarding the maturity period.
- The Chi-square value is 16.454, P-value = .001, indicates that a significant difference between the Income levels in respondents' awareness regarding the maturity period.

Tble 5 Demographic variables and Investors' Awareness Regarding Availability Partial Withdrawal

	Availability Partial withdrawal	Test	Value	df	P-Value	Decision
1.	The significant difference between the awareness levels of Rural and Urban respondents	Pearson Chi-Square	.597	1	.440	Reject the Alternative Hypothesis
2.	The significant difference between the awareness levels of Male and Female respondents	Pearson Chi-Square	8.809	1	.003	Retain the Alternative Hypothesis
3.	The significant difference between the awareness levels of different Age groups of respondents	Pearson Chi-Square	4.852	3	.019	Retain the Alternative Hypothesis
4.	The significant difference between the awareness levels of different Education levels of respondents	Pearson Chi-Square	7.201	5	.206	Reject the Alternative Hypothesis
5.	The significant difference between the awareness levels of different Income levels of respondents	Pearson Chi-Square	12.259	3	.007	Retain the Alternative Hypothesis

Source: Primary Data

*Sig.: at 5% level

Interpretation:

Table 5 shows the awareness among the investors regarding the saving schemes (availability partial withdrawal) of banks. For the analysis of respondent awareness, the Pearson Chi-Square test has been applied to test across various demographics like “Area of residence, Gender, Age group, Education levels, and Income levels”. The Pearson Chi-Square test found that Gender, Age group, and Income levels have significant differences. The findings have been explained in the following:

- The Chi-square value is .597, P-value = .440, indicates that no significant difference between the Rural and Urban respondents' awareness regarding the availability of partial withdrawal.
- The Chi-square value is 8.809, P-value = .003, indicates that a significant difference between the Male and Female respondents' awareness regarding the availability of partial withdrawal.
- The Chi-square value is 4.852, P-value = .019, indicates that a significant difference between the Age group respondents' awareness regarding the availability of partial withdrawal.
- The Chi-square value is 7.201, P-value = .206, indicates that no significant difference between the Education levels in respondents' awareness regarding the availability of partial withdrawal.
- The Chi-square value is 12.259, P-value = .007, indicates that a significant difference between the Income levels in respondents' awareness regarding the availability of partial withdrawal.

Findings

- The data (Ref. Table: 1) reveals a significant difference in the awareness levels of bank respondents regarding interest rates. This factor is essential for assessing their financial literacy and the extent of their access to relevant information. Identifying this difference helps uncover existing knowledge gaps and highlights the importance of targeted educational initiatives or communication strategies aimed at enhancing understanding of interest rates. Such efforts can enable users to make more informed and effective financial decisions.
- The data (Ref. Table: 2) shows that there is a significant difference in the awareness of the minimum required amount among bank respondents. This aspect is important for evaluating how consistently basic financial information is understood across different user groups. The similarity in awareness suggests that both groups have a comparable grasp of the minimum amount criteria. This finding can assist service providers in assessing the success of their communication efforts and support the continued delivery of consistent information across all channels.

- The data (Ref. Table: 3) reveals a significant difference in the level of awareness among bank respondents concerning the investment period. This factor is key to understanding variations in financial knowledge related to investment durations. Analyzing these differences helps identify specific areas where one group may lack sufficient information, which could affect their financial planning and decision-making. These insights can guide the development of targeted educational programs and improved communication strategies to ensure that all users have a clear and comprehensive understanding of investment timelines.
- The data (Ref. Table: 4) highlights a significant difference in bank respondents' awareness of the maturity period. This factor is essential for assessing their understanding of when financial products reach completion. Awareness of maturity timelines is critical for effective financial planning and decision-making. Acknowledging this disparity allows the study to pinpoint gaps in knowledge and recommend measures to enhance information dissemination, helping ensure that all respondents clearly understand maturity periods and their implications for financial outcomes.
- The data (Ref. Table: 5) indicates a significant difference in the awareness of partial withdrawal options among bank respondents. This aspect is crucial for evaluating their understanding of the flexibility to access funds before the investment reaches maturity. Variations in awareness may point to inconsistencies in how information is conveyed or interpreted across different institutions. Analyzing this gap can help identify the need for better communication or enhanced customer education, ensuring that all users are well-informed about their entitlements and choices regarding partial withdrawals.

Conclusion

The study concluded that the level of awareness among investors regarding various saving schemes offered by public sector banks. The findings reveal notable disparities in awareness across several key variables. A significant difference was observed in respondents' understanding of the rate of interest, investment period, maturity period, and availability of partial withdrawals, highlighting even access to critical financial information. These gaps point to the urgent need for targeted financial literacy programs and improved communication strategies to ensure that all investors, regardless of their background or banking institution, are well-informed and empowered to make sound financial decisions. Conversely, the study found

a significant difference in awareness regarding the minimum required amount, suggesting that communication around this aspect is relatively consistent and effective across institutions. This insight reinforces the importance of maintaining uniform messaging while enhancing clarity around other critical areas. Overall, the findings underscore the need for public sector banks to adopt more inclusive and accessible financial education efforts, ultimately contributing to better-informed investors and a more financially aware population.

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