

# **A STUDY ON BASEL ACCORD FOR CAPITAL ADEQUACY AND ITS EFFECT ON THE INDIAN BANKING SYSTEM**

**ANITHA SUKUMAR**

## **ABSTRACT**

This paper studies the effect of capital accord in India .It talks about the capital adequacy regime in India and discusses briefly about Basel –I and Basel-II in general. It also discusses about the issues relating to the general tendency of banks to maintain a higher capital adequacy ratio .A panel data regression was done to study the variables that affect the capital adequacy ratio of banks set by Basel –I standards, a cross section wise analysis shows that capital to risk weighted assets is a very important factor to set capital adequacy ratio for banks.

Keyword: Basel, Capital Accord