Ipsita Das

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Current Affiliation

PhD Student in Development Studies January 2021 – Present
Indira Gandhi Institute of Development Research (IGIDR), Mumbai
Affiliated under the Reserve Bank of India.

Thesis Title: Mergers, Efficiency, and Market Power: Three Essays In Banking And Finance.
Supervisors: Prof. Subrata Sarkar and Prof. A. Ganesh Kumar
Committee Member: Prof. K V Ramaswamy

Research Interests

My research lies at the intersection of banking and corporate finance, where I apply microeconomic theory and empirical methods to understand financial institution behavior, market structure, and efficiency. I am also deeply interested in macro-finance and monetary policy, particularly their implications for banking sector performance and financial stability.

Education

M.S. Economics 2018 – 2020
Indira Gandhi Institute of Development Research (IGIDR), Mumbai
Major: Econometrics, Minor: Macroeconomics

B.Sc. Economics 2015 – 2018
Scottish Church College, University of Calcutta
Major: Economics, Minor: Mathematics, Statistics

Job Market Paper

"Profit Efficiency, Mergers and Bank Risk: A Study on Indian Banks."
Summary: The Indian banking sector has long been a cornerstone of economic growth, supporting agriculture, manufacturing, and small industries while showing remarkable resilience to global crises. In recent years, it has undergone transformative reforms, most notably the government-led mergers of public sector banks and initiatives like, the Asset Quality Review and the Insolvency and Bankruptcy

Code. These developments create a unique opportunity to examine the relationship between consolidation, efficiency, and bank risk in the Indian Banking Sector. We used a Bayesian Stochastic frontier approach to estimate the risk-embedded efficiency scores of Indian Banks from 2005-2024. The paper also further investigated how the recent episodes of consolidations impacted these scores using an event study approach and staggered DID technique. The findings suggest that when we introduce risk into our measurement of efficiency, it is observed that the risk-adjusted scores are consistently low than the efficiency measure without risk. The impact of merger is also more significant, persistent, and adverse on the risk-incorporated scores.

Works In Progress

1. "Impact of Mergers and Acquisitions on the Efficiency of the Indian Banking System" (with Subrata Sarkar)
   Summary: The Public Sector Banks have been the backbone of the Indian Banking System. However, in recent times, its financial health has deteriorated significantly. As, a reaction to that, the Government of India has implemented a massive merger exercise between 2017-2020. This has brought the number of public banks from twenty-seven to twelve. In this paper, we have assessed how the mergers and acquisitions impacted their efficiency scores. We have used event study approaches, data envelopment techniques and fixed effects panel estimations to analyse the consequences the recent consolidations. The findings suggest that there is a significant increase in the output-oriented efficiency scores whereas there is a significant decline in the input-oriented scores in the post consolidation period. It is also observed that the potential gains from some mergers although appear to be positive yet the market responses in the post-announcement period are mostly negative. Hence, the results highlight the importance of optimising resource allocation and utilisation within merged banks for improved efficiency outcomes, a consideration that should be prioritized by policymakers and regulators.
2. "Bank Mergers and Market Power: Evidence from India." (with Subrata Sarkar)
   Summary: This paper investigates the impact of recent bank mergers on market power in India from 2005–2024. Using a stochastic frontier framework, we estimate credit and investment markups alongside the Lerner Index, and track concentration through Herfindahl–Hirschman Indices. To assess causal effects, we employ a staggered difference-in-differences design comparing merged public banks with private banks, and further examine spillovers using panel estimations. The results show a 20–29 percentage point increase in the market power of merged banks and a 5.9 percentage point rise for private banks. While private banks exhibit higher credit markups, investment markups remain lower and often negative across both groups. Overall, mergers have reinforced pricing power and revenue concentration, raising important policy questions on the balance between financial stability, competition, and credit access in an emerging economy context.

Work Experience & Internships

Teaching Assistant August 2022 – August 2025
Dr. Shubhro Sarkar, IGIDR, Mumbai
Courses: Microeconomics I and Game Theory

Teaching Assistant January 2022 – June 2022
Prof. Rupayan Pal, IGIDR, Mumbai
Course: Oligopoly Theory

Teaching Assistant September 2021 – December 2021
Dr. Shubhro Sarkar, IGIDR, Mumbai
Course: Microeconomics I

Research Assistant January 2021 – August 2021
Dr. Bharti Nandwani, IGIDR, Mumbai
Research Area: Political Economy

Research Intern August 2020 – October 2020
StartupManch, Hyderabad
Project: Critical evaluation of government schemes and policies aiding startups and MSMEs in India
Supervisor: Pratyush Malviya

Research Intern May 2019 – July 2019
Indian Statistical Institute, Kolkata
Project: Assessing individual degree of risk aversion through experimental interface design
Software: Ztree
Supervisor: Dr. Priyodorshi Banerjee

Conferences

1. Research Scholars' Day, IIT Kanpur (2024).
2. 5th Annual Economics Conference, Ahmedabad University (2024).
3. Fourth Annual Economics and Finance Conference, BITS Pilani, Hyderabad (2023).
4. 11th INSEE-IIITD International Conference (2021).

Awards & Recognitions

- **NSE Best Paper Award** at 5th Annual Economics Conference, Amrut Mody School of Management, Ahmedabad University (2024).

Technical Skills

- **Statistical Tools:** R Studio, Stata, MS Excel, EViews.
- **Other Tools:** LaTeX

Languages

English, Hindi, Bengali (native)