



COMPETITION COMMISSION OF INDIA
Case No. 27 of 2026

In Re:

Bipin T. Alappat

S/o Thomas AL, R/o Alappat house,
Puranattukkara P.O., Adat, Thrissur,
Kerala-680551

Informant No. 1

Jose

S/o Varkey, R/o Mattathil house,
Vilanganoor, Peechi P.O., Chennaipara,
Kerala-680653

Informant No. 2

And

The State of Kerala

Government Secretariat,
Thiruvananthapuram Dt.,
Kerala – 695010

Opposite Party No. 1/OP-1

Kerala State Road Transport Corporation (K.S.R.T.C.)

Transport Bhavan, Fort, Trivandrum,
Kerala -695023

Opposite Party No. 2/OP-2

CORAM

Ms. Ravneet Kaur

Chairperson

Ms. Sweta Kakkad

Member

Mr. Deepak Anurag

Member



Order under Section 26(2) of the Competition Act, 2002

1. The present Information has been filed by Mr. Bipin T. Alappat (**'Informant No. 1'**) and Mr. Jose (**'Informant No. 2'**), collectively known as **'the Informants'**, under Section 19(1)(a) of the Competition Act, 2002 (**'Act'**), alleging contravention of the provisions of Section 4 of the Act by The State of Kerala (**'OP-1'**) and Kerala State Road Transport Corporation (**'KSRTC'**/**'OP-2'**). OP-1 and OP-2 are hereinafter referred to as the Opposite Parties (**'OPs'**).
2. As per the Information, the Informants are private stage carriage operators, operating buses in the State of Kerala. Informant No. 1 is stated to be operating eighteen stage carriage buses on the Thrissur—Palakkad and Thrissur—Adat routes, while Informant No. 2 is operating three stage carriage buses on the Thrissur—Govindapuram and Thrissur—Kozhinjampara routes.
3. OP-2 is an autonomous corporation established by the Government of Kerala under the Road Transport Corporations Act, 1950 to operate buses within and outside the State of Kerala.
4. It has been stated that pursuant to Government order GO(MS) No. 16/2026/TRANS dated 11.06.2026, the Government of Kerala introduced the *'Priyadarshini Scheme'* (**'Scheme'**) under its 'Indira Guarantee' programme, providing free travel in the buses of OP-2 to all women, irrespective of age, and transgender persons with effect from 15.06.2026. The aforesaid benefit constitutes the first phase of the Scheme, which, as stated in the Government order, is intended to facilitate mobility, increase employment opportunities for women, and promote their socio-economic empowerment.
5. The Informants have alleged that the Scheme is consciously restricted only to the buses of OP-2, while private stage carriage operators, though providing identical services on the same routes, were completely excluded from the implementation of the Scheme.



6. The Informants have submitted that following the implementation of the Scheme, a substantial proportion of women passengers shifted from private buses to the buses operated by OP-2, primarily on account of the availability of free travel under the Scheme. As a direct consequence, the passenger occupancy in the stage carriage buses operated by the Informants declined significantly, leading to a substantial reduction in passenger volumes and, consequently, in their revenues.
7. The Informants have alleged abuse of dominant position on the part of the OPs in the relevant '*market for the provision of stage carriage passenger transport services in the State of Kerala*'.
8. It has been stated that fares collected from women passengers constituted a significant component of the revenues of private bus operators and were essential for meeting their recurring operational expenses and statutory liabilities. The Scheme is alleged to have caused a substantial diversion of passengers and consequent loss of revenue, adversely affected the viability of private stage carriage operators and progressively drove the sector towards commercial extinction, thereby resulting in a contravention of Section 4(2)(a)(i) of the Act.
9. As stated by the Informants, the substantial diversion of passengers to OP-2 has rendered private bus operations commercially unviable, forcing reduction of services and the closure of numerous operators. It has been alleged that the impugned conduct has the effect of limiting and restricting the provision of passenger transport services by private stage carriage operators within the meaning of Section 4(2)(b)(i) of the Act.
10. The Informants have also alleged that the implementation of the Scheme exclusively through OP-2 has resulted in denial of effective market access to private stage carriage operators within the meaning of Section 4(2)(c) of the Act, inasmuch as the diversion of a significant class of passengers to OP-2 has deprived private operators of the opportunity to compete for the same consumer base.



Relief sought

11. The Informants have sought the following reliefs from the Commission:

- a) Pass a cease-and-desist order directing the OPs to discontinue the implementation of the Scheme in its present discriminatory form, in so far as it confers an exclusive competitive advantage upon OP-2;
- b) Direct the OPs to suitably modify the Scheme, in consultation with all stakeholders, so as to ensure a fair, non-discriminatory and competition-neutral implementation without denying market access to private stage carriage operators; and
- c) Pass any other order or direction as the Commission may deem fit and proper in the facts and circumstances of the case.

12. Along with the Information, the Informants have filed an Interlocutory Application ('I.A.') No. 203 of 2026 dated 30.07.2026, requesting early listing of the matter and to pass such other order(s) as the Commission may deem fit in the facts and circumstances of the present case.

13. In the ordinary meeting held on 28.08.2026, the Commission considered the Information and decided to pass an appropriate order in due course.

14. The Commission has perused the Information and notes that the Informant appears to be aggrieved by the exclusivity granted to OP-2 by OP-1 by way of implementing the Scheme. This has been alleged to be in contravention of the provisions of Section 4 of the Act.

15. The Commission notes that the Scheme is a Government policy measure intended to promote public welfare, create employment opportunities, and facilitate socio-economic empowerment of women and transgenders of the State. The Commission, while examining the matter, has taken into consideration the intent and underlying objectives of the Scheme, along with the allegations raised by the Informants regarding the impact of



the same on private operators. The Commission further notes that only the first phase of the Scheme has been implemented.

16. With regard to diversion of passengers, in contravention of Section 4(2)(a)(i) of the Act, the Commission notes that the provision of free travel to women and transgender individuals in the buses of OP-2 is a policy measure implemented by the State pursuant to a governmental scheme, under which the State bears the corresponding cost of such travel. The fact that the Scheme may influence passenger choice does not, by itself, establish that the OPs have imposed an unfair or discriminatory condition upon private stage carriage operators or their passengers.
17. As regards contravention of Section 4(2)(b)(i) of the Act, the Commission notes that a change in passenger demand, even if it results in a relative commercial disadvantage to private operators, cannot, by itself, be characterised as conduct by the OPs intended to limit or restrict the provision of services or the market thereof.
18. With regard to alleged denial of market access, the Commission notes that private stage carriage operators have not been excluded from the market and continue to operate their permitted services, carry passengers, and compete for passengers within the applicable regulatory framework. The preference of a particular category of passengers for OP-2 services on account of the fare benefit provided under a State-funded scheme does not, by itself, amount to denial of market access or exclusion of private operators from the market. The alleged loss of fare-paying passengers or reduction in revenues may, at best, indicate a commercial disadvantage arising from the implementation of a welfare Scheme.
19. Having considered the facts and allegation of the matter, the Commission notes that the formulation and implementation of a welfare scheme by the Government, aimed at public welfare, would not ordinarily invite scrutiny under the Act. The Commission further notes that the implementation of the Scheme constitutes a State-funded welfare measure, under which the State bears the fare in respect of eligible passengers travelling on specified services operated by OP-2. The resultant differential commercial impact on private



operators, arising from such a policy measure, cannot, by itself, be characterised as a contravention of the provisions of the Act.

20. In view of the foregoing, the Commission is of the view that no *prima facie* case of contravention of Section 4 of the Act is made out against the OPs and directs that the present Information be closed forthwith under Section 26(2) of the Act. Accordingly, pending IA also stands disposed of.

21. The Secretary is directed to communicate the order to the Informant, accordingly.

Sd/-
(Ravneet Kaur)
Chairperson

Sd/-
(Sweta Kakkad)
Member

Sd/-
(Deepak Anurag)
Member

Place: New Delhi
Date: 08.09.2026