Amazon plans to absorb all Cloudtail, Prione employees

By Isabelle Crossley - 26 April 2022

Amazon India plans to move all of the employees of e-commerce seller Cloudtail and its parent company Prione Business Services to its own business, as it moves to shut down Cloudtail on its e-commerce platform.

Between around 1,000 and 1,200 Cloudtail and Prione employees will transfer to Amazon India in a process which the business expects to be concluded by the end of May, an anonymous source close to the matter told ET Tech.

Prione’s CEO Pankaj Jathar had already informed the business’ employees about the transition plan in a company meeting which was held on April 12, according to the source.

“We are planning to complete the transition by the end of May 2022,” read a slide from the presentation Jathar used at the employee meeting, accessed by the Economic Times. “Specific dates of various steps to be published in the next two weeks.”

Cloudtail was launched in 2014 as a joint venture between Amazon and venture capital business Catamaran Ventures’ head NR Narayana Murthy. The business is one of the largest sellers on Amazon India. However, in 2019, Amazon India had to reduce its stake in the business from 49% to 24% in line with India’s foreign direct investment regulations.

The latest FDI regulations do not allow a business which runs an e-commerce marketplace and its group companies to own any equity in any of the sellers on its platform or to have control over the inventory of its sellers. In order to comply with these regulations, Amazon India is shutting down Cloudtail.

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