

CAIT FILES PLEA BEFORE CCI TO BLOCK AMAZON DEAL TO ACQUIRE CLOUDTAIL

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Capital Market & SEBI

Domestic traders' body CAIT on Friday said it has filed a petition before the Competition Commission of India (CCI) to block the transaction that has been entered into by Amazon where they will acquire 100% shareholding in Cloudtail.

The petition provides evidence to show Cloudtail charges less fees/ commission and is a preferential seller on the platform, and with its 100% acquisition, Amazon will cause an adverse effect on the market, the Confederation of All India Traders (CAIT) alleged in a statement.

"CAIT has today filed a petition before the Competition Commission of India seeking to block the transaction which has been entered into by Amazon where they will acquire 100 per cent shareholding in Cloudtail," it added.

The proposed deal raises some concerns from the viewpoint of competition law, it said.

Amazon India has proposed to take full control of Cloudtail, the largest and longest-serving seller on its platform, just months after deciding to end the joint venture.

Amazon has approached the CCI for approval to acquire Narayana Murthy-led Catamaran Ventures stake in Prione, which operates Cloudtail. If CCI approves the deal, Amazon will fully own Prione.

Once Amazon takes full ownership, though, Cloudtail won't be able to continue as a seller on the marketplace under India's current rules.

CAIT has been in public, opposing what it calls unfair policies of foreign e-commerce companies that seek to undermine the business of domestic companies and traders.

It has also recently sent a letter to union commerce minister Piyush Goyal, demanding no relaxation in e-commerce rules.

"If there is any relaxation in the rules, then it will be considered that the government is under full pressure from foreign companies, whose message will not go well in the business class," CAIT said in its letter.

(With inputs from PTI)

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