

Chapter 16

Online Pharmacies - Disruption or Danger?

Dr. Pramod Katke

MBBS, MD Pharmacology Independent Reviewer

Introduction: The Rise of e-Pharmacies in India

In the last decade, India’s pharmaceutical retail landscape has undergone a quiet revolution: **online pharmacies**—or e-pharmacies—have emerged as a new, disruptive force. Platforms like **PharmEasy, 1mg (now Tata 1mg), NetMeds, and Apollo 24|7** have turned medicine procurement into a mobile app transaction.

Offering **discounts, home delivery, subscription models, and teleconsultations**, they promise convenience, affordability, and access—especially for chronic patients. However, this shift has brought its own **risks, loopholes, and regulatory chaos**, with grave implications for patient safety, privacy, and prescription control.

1. The Growth of India’s Online Pharmacy Sector

| **Table 1: Online Pharmacy Market Metrics (2023)** |

Metric	Estimate
Market size	?25,000 crore (US\$3B)
CAGR (2020–2025)	~21%
Registered platforms (2023)	110+
Orders per day (top 5 players)	~5 million
Repeat subscription rate	68% (chronic patients)

Source: FICCI eHealth Report, 2023; RedSeer Analytics [1]

e-Pharmacies grew rapidly post-COVID-19, as lockdowns forced patients to **shift online** for medication and consultation.

2. The Value Proposition

Key benefits cited by users:

- **Deep discounts** (10–70%)
- **Doorstep delivery**, often same-day
- **Auto-refill for chronic medication**
- Access to **e-consults, lab services**
- Upload-and-order system avoids pharmacy visits

For those in remote towns, **e-pharmacies offer access where physical chemists are few or absent.**

3. But at What Cost? Regulatory Concerns

India lacks a **comprehensive legal framework** for online pharmacies.

The Drugs and Cosmetics Act (1940) was written in an era of bricks-and-mortar stores. The **proposed e-Pharmacy Rules (Draft 2018)** remain **unnotified**, creating a vacuum where:

- Platforms function in **legal limbo**
- State FDAs have **no uniform guidelines**
- Court cases have **challenged legality** without resolving jurisdiction [2]

4. Common Violations and Grey Areas

| **Table 2: Key Compliance Concerns with e-Pharmacies** |

Issue	Observed Practice
Sale of Schedule H drugs	Frequently without valid prescriptions
Prescription reuse	Allowed without revalidation
Data privacy breaches	User profiles shared with insurers/ advertisers
Cold chain storage	Often unverified
Identity verification	Rarely enforced

A 2022 Delhi High Court filing accused several platforms of selling **prescription drugs like tramadol and pregabalin without verification** [3].

5. Quality and Counterfeit Risks

With sourcing spread across **third-party warehouses**, there's growing concern about:

- **Expired drugs**
- **Unregulated substitutions**
- Storage violations (e.g., insulin shipped unrefrigerated)
- Risk of **fake listings or lookalike drugs**

“The packaging looked legit, but my blood sugar spiked. Later, I learned the drug was a substandard duplicate.” - Patient, Hyderabad

Offline pharmacists allege that some online platforms **procure from unlicensed vendors** to sustain deep discounting.

6. Discounts vs Ethics: The Pricing Problem

Online players offer **unsustainable discounts**—sometimes selling at **below procurement cost**—due to:

- Venture capital subsidies
- Bulk centralised purchasing
- Bypassing traditional distributor margins

This creates:

- **Unfair competition** against licensed offline pharmacies
- Pressure to push **branded** over **essential generic medications**
- Incentives for **over-ordering** and **stockpiling by patients**

7. Lack of Human Oversight

Unlike physical stores, online pharmacies **lack in-person pharmacist counselling**, leading to:

- **Automated substitution of brands**
- Misunderstanding drug schedules
- No explanation of side effects, dose titration, or contraindications

This is particularly risky for:

- **Elderly or tech-illiterate patients**
- Users of **narrow-therapeutic-index drugs (e.g., warfarin, lithium)**
- Polypharmacy patients

8. Teleconsultation: New Opportunity or Conflict of Interest?

Many e-pharmacies now **bundle doctor consultations** into their platform:

- “eRx” generated in-app → fed into their own pharmacy backend
- Pushes branded or own-label drugs
- **No checks on consultation quality**
- Conflict of interest: **Prescriber and seller are the same entity**

“I saw a doctor online who prescribed 5 drugs in 3 minutes – and all were available only on that app.” – User, Bengaluru

9. The Way Forward: Regulating Smart, Not Blind

| **Table 3: Policy Needs for Online Pharmacy Regulation** |

Reform Area	Proposed Action
National e-Pharmacy Law	Notify and implement e-Pharmacy Rules
Central License & Compliance	Single-window licensing by CDSCO
eRx Tracking	Mandatory linking of doctor prescription and dispensation logs
Cold Chain Audit Trail	GPS-enabled storage compliance logs
Prescription Upload Validation	Aadhaar/OTP-enabled prescription checks

10. Learning from Global Models

| Table 4: Global Online Pharmacy Regulation Snapshot |

Country	Key Features
USA (FDA)	NABP Verified Internet Pharmacy Practice Sites (VIPPS)
UK (MHRA)	Mandatory pharmacist approval + GPhC registration
Canada	Requires physician verification + cold chain proof
India	Draft rules pending; compliance voluntary

India can adopt a **tiered regulation model** that:

- Allows innovation in chronic care management
- Protects patient safety via **traceability and accountability**
- Encourages transparency in discounts, sourcing, and substitutions

Conclusion: Balancing Access with Accountability

Online pharmacies have undeniably made drug access more democratic – but without **checks and balances**, they risk turning medicine into a **transaction without care**.

India must act fast to craft an **e-pharmacy law that marries innovation with regulation**, before this growing sector does more harm than good.

Without clarity, what began as a digital solution may quickly become a **regulatory blind spot**, with **millions of lives at stake**.

References

1. FICCI-RedSeer. Online Pharmacy Market Report. FICCI; 2023.
2. Delhi High Court. Federation of Chemists vs Union of India. Court Filing; 2022.
3. All India Chemists & Druggists Association. Legal Complaint on e-Pharmacy Violations. 2022.