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Review Paper

Evolving Regulatory Framework For E-Pharmciesin India: Challenges & Legal Concern

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ABSTRACT

The rapid proliferation of e pharmacies in India has outpaced the evolution of the legal framework governing the sale and distribution of medicines. This article examines the fragmented and outdated regulatory landscape, which relies on colonial era statutes such as the Drugs and Cosmetics Act, 1940, and the Pharmacy Act, 1948—enactments that never contemplated digital commerce. Despite the publication of the Draft E Pharmacy Rules in 2018, the rules remain unenforced after more than eight years, leaving e pharmacies to operate in a legal grey zone. The article analyses the conflicting interpretations of "intermediary" status under the Information Technology Act, 2000, as illuminated by the landmark Delhi High Court ruling in IndiaMART v. CDSCO (2025), and contrasts this with the accountability obligations imposed by the Consumer Protection (E Commerce) Rules, 2020. Emerging challenges are scrutinised, including the entry of quick commerce platforms into medicine delivery, the "order and approve" telemedicine scandal involving Blinkit, the systemic failure of India's QR code based drug authentication system exposed by counterfeit Levipil 500, and the consumer compensation ruling from the Pune District Commission. The article also evaluates the Jan Vishwas Act amendments, the stalled GSR 817(E) and GSR 220(E), and the proposed Drugs, Medical Devices and Cosmetics Bill, 2025, as potential pathways toward a coherent regulatory framework. It concludes that the current regulatory vacuum poses serious risks to patient safety—ranging from antimicrobial resistance due to unsupervised antibiotic sales to the circulation of counterfeit drugs—and argues for urgent legislative action to establish a technology neutral, risk based licensing regime that balances innovation with robust consumer protection and professional ethical standards.

INTRODUCTION

The Promise and Peril of Digital Pharmacies: A Vision for the Future of Medicine Access

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The Confused Legal Tapestry: India's Patchwork of Statutes

The regulation of e-pharmacies in India does not suffer from a mere absence of law; rather, it labours under a surfeit of ill-fitting, overlapping, and often contradictory legal instruments. The result is a fragmented regulatory environment where e-pharmacy platforms must simultaneously satisfy the requirements of a colonial-era drugs statute, a profession-centric pharmacy law, a general-purpose information technology act, and consumer-protection rules drafted for conventional e-commerce[1][2]. Each of these texts addresses certain aspects of online medicine sales, yet none was designed with the digital pharmacy model in mind. The cumulative effect is a legal framework that is perpetually in a state of interpretive crisis[3].

The Drugs and Cosmetics Act, 1940, and the 1945 Rules: Analysing the Applicability of a Pre-Digital Framework to Online Sales

The Drugs and Cosmetics Act, 1940 (D&C Act), together with the Drugs and Cosmetics Rules, 1945, constitutes the primary legislative scheme for regulating the import, manufacture, distribution, and sale of drugs in India[4][5]. The Act proceeds from a distinctly physicalist conception of the drug supply chain: it speaks of "sale" as a transaction taking place from a licensed "premises," requires the presence of a registered pharmacist at the point of sale, mandates the maintenance of physical records such as the cash-or-credit memos and the prescription register, and imposes obligations on "vendors" who operate from a specified location. The Act does not contain a single reference to a digital platform, a marketplace, a click-and-order model, or any form of remote dispensing[6][7].

For years, regulators and courts have strained to fit the square peg of e-pharmacy into this round hole. The central interpretive question is whether the act of selling drugs through a website or mobile application falls within the definition of "sale" under Rule 61 of the 1945 Rules, which requires every sale of a drug to be made by a licensed vendor from a licensed premises. Most legal analysts argue that a website cannot be a "premises" in the statutory sense, and that the physical location from which the drug is dispatched – usually a licensed retail pharmacy or a warehouse – might be considered the actual point of sale[9]. However, the Drugs Controller General of India (DCGI) has consistently taken the view that the e-pharmacy platform itself, as an intermediary that enables the transaction and often handles payment and logistics, is effectively engaging in the business of "sale" and must therefore hold a separate licence for each platform. This interpretation has never been tested definitively before the Supreme Court, leaving the industry in a state of perpetual uncertainty[10].

A further complication arises from Rule 65 of the 1945 Rules, which prohibits the sale of drugs without a valid prescription from a registered medical practitioner for certain categories of drugs (Schedules H, H1, and X). E-pharmacies have developed various workarounds, such as uploading a scanned copy of a prescription or having a platform-affiliated doctor issue a tele-consultation prescription[11]. Whether these practices satisfy the "valid prescription" requirement under the D&C Act is contested; the Act assumes a physical encounter between a patient and a doctor, and the concept of a digitally generated prescription was not foreseen. Consequently, multiple show-cause notices have been issued by state drug controllers to e-pharmacies alleging that the mere scanning and uploading of a prescription does not amount to the "sale against prescription" envisaged by the law, because the platform cannot verify the authenticity of the document or ensure that the prescription was not reused for multiple purchases. In sum, the

D&C Act imposes a licensing and record-keeping regime that is structurally incompatible with the frictionless, high-volume, cross-jurisdictional nature of e-pharmacy operations[12].

The Pharmacy Act, 1948 & Pharmacy Practice Regulations, 2015: Pharmacist Oversight in a Virtual Setting

The Pharmacy Act, 1948, was enacted to regulate the profession of pharmacy, primarily by establishing the Pharmacy Council of India (PCI) and state pharmacy councils, and by requiring the registration of pharmacists[13]. Under the Act, only a registered pharmacist is entitled to dispense drugs, and he or she must do so under the supervision of a licensed pharmacy. The Pharmacy Practice Regulations, 2015, issued by the PCI, elaborate on the duties of a pharmacist, including the obligation to "interpret the prescription," "check for drug interactions," "counsel the patient," and "maintain patient medication records." These duties are inherently location-specific and person-to-person: the pharmacist is supposed to be physically present at the dispensing counter, able to communicate directly with the patient, and able to inspect the original prescription in real time[13][14].

When an e-pharmacy operates, the "dispensing" function is disaggregated. A customer uploads a prescription to a server; a pharmacist working remotely – often in a different city – reviews a digital image of that prescription[15]; the pharmacist then approves the order; a packer in a warehouse picks the medicine; and a delivery executive hands it over at the customer's doorstep without any further pharmaceutical intervention. The question that arises is whether the remote pharmacist's act of clicking "approve" on a computer screen constitutes "dispensing" within the meaning of the Pharmacy Act and the 2015 Regulations. The PCI has not issued any formal clarification on this point, but informal opinions from state councils suggest that remote approval is insufficient, as the pharmacist cannot physically hand over the medicine, cannot provide immediate counselling, and cannot verify that the medicine is being given to the same person whose name appears on the prescription. Moreover, the Pharmacy Act requires that the pharmacist be "in charge" of a licensed retail pharmacy; an e-pharmacy's central fulfilment centre is often not licensed as a "pharmacy" under state rules, but rather as a warehouse or distribution centre, thus creating a mismatch between the regulatory category and the operational reality. Until the Pharmacy Act is amended to recognise the concept of a "virtual pharmacist" or "remote dispensing," e-pharmacies will continue to operate in a zone of regulatory illegitimacy[16].

The Information Technology Act, 2000: The "Safe Harbour" Debate for E-Pharmacy Intermediaries

The Information Technology Act, 2000 (IT Act) was enacted to facilitate electronic commerce and to penalise cyber offences. For e-pharmacy platforms, the most significant provision is Section 79, which grants "safe harbour" to intermediaries: an intermediary shall not be liable for any third-party information, data, or communication link made available or hosted by it, provided the intermediary does not initiate the transmission, select the receiver, or modify the information, and further provided that it observes due diligence as prescribed under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021. E-pharmacies have consistently argued that they are mere intermediaries that connect a licensed retail pharmacy (the seller) with a consumer, and that the sale itself takes place between these two parties. Under this reading, the e-pharmacy platform is not the "seller" of drugs and therefore does not require a drug licence; the underlying pharmacy that holds

a licence is the real seller. This argument is the cornerstone of the marketplace model adopted by most Indian e-pharmacies[16].

The counter-argument, advanced by the CDSCO and state drug controllers, is that e-pharmacy platforms are not passive intermediaries. They typically set the prices, process the payments, control the logistics, own the customer relationship, and often determine which products are displayed to the user. In many cases, the "underlying pharmacy" is either a franchisee or a shell entity that has no real independence. Consequently, the platform is, in substance, the seller, and the claim of intermediary status is a legal fiction designed to evade licensing requirements. This debate came to a head in the landmark case of *IndiaMART InterMESH Ltd. v. Central Drugs Standard Control Organization* (2025, Delhi High Court), which is discussed in detail in Section IV below[17]. For present purposes, it is enough to note that the safe harbour under the IT Act is not absolute: Rule 3(2) of the Intermediary Guidelines requires platforms to remove unlawful content within 72 hours of receiving actual knowledge. Drug controllers have argued that listing a medicine for sale without a valid prescription or without a licence is "unlawful content," and that e-pharmacies must proactively screen listings. The platforms, in turn, rely on the "no obligation to monitor" principle established in *Shreya Singhal v. Union of India* (2015) – but that case dealt with free speech, not with regulated goods like drugs. The resulting legal tension has produced a volatile jurisprudence[18].

The Consumer Protection (E-Commerce) Rules, 2020: Standardising Platform Accountability

The Consumer Protection (E-Commerce) Rules, 2020, issued under the Consumer Protection Act, 2019, are the most recent attempt to introduce a horizontal regulatory framework for all e-commerce entities, including e-pharmacies. Under these Rules, an "e-commerce entity" is defined broadly to include any person who owns, operates, or manages a digital platform for the sale of goods. For e-pharmacies, the Rules impose several important obligations: they must provide clear information about the seller (including the seller's name, address, and licence details); they must not mislead consumers by manipulating prices or search results; they must establish a grievance redressal mechanism; and they must be liable for any failure to exercise "due diligence" in ensuring that the goods sold conform to descriptions and legal requirements. Rule 5(4) is particularly relevant[19]: "An e-commerce entity shall not manipulate the price of the goods or services so as to gain unreasonable profit by violating the provisions of the Drug (Prices Control) Order, 2013." This brings e-pharmacies under the National Pharmaceutical Pricing Authority's (NPPA) jurisdiction, even if they claim to be mere intermediaries.

However, the 2020 Rules were not drafted with the specific risks of online medicine sales in mind. They do not address prescription verification, age-restricted sales, or the problem of drug interactions at the point of checkout. Moreover, the Rules apply only to "e-commerce entities" that are based in India or that systematically solicit business from Indian consumers. Foreign-hosted e-pharmacy platforms that ship to India from overseas may fall outside their scope. More fundamentally, the Rules do not answer the core question: is an e-pharmacy entity a "seller" or an "intermediary"? The Rules define a "seller" as a person who "offers goods or services for sale on the e-commerce platform," and an "e-commerce entity" is separate from the seller. This distinction is meaningful for general e-commerce, but for e-pharmacies that operate on a marketplace model, the platform often performs functions that are indistinguishable from those of a seller – such as

warehousing the drugs, fulfilling the orders, and accepting returns. The National Consumer Disputes Redressal Commission (NCDRC) has, in a series of orders, held that e-commerce platforms can be held jointly and severally liable for defective products sold on their platforms, applying the doctrine of "platform as seller" when the platform exercises significant control over the transaction. If this doctrine is extended to e-pharmacies, the safe harbour argument would become untenable[20][21].

Critical Gaps and Ambiguities: The Absence of a Statutory Definition of E-Pharmacy

Perhaps the most fundamental failing of India's current legal framework is the complete absence of a statutory definition of "e-pharmacy." No central Act, rule, or regulation defines what constitutes an e-pharmacy, what models are permissible, or what activities fall within the scope of online drug sales. The term appears sporadically in official communications – such as the DCGI's 2015 circular and the 2018 Draft E-Pharmacy Rules – but those documents have no legal force. Consequently, courts and regulators are forced to decide, on a case-by-case basis, whether a particular online medicine delivery service is an "e-pharmacy" subject to drug regulation or merely a "technology platform" facilitating communication between licensed parties. This definitional vacuum has allowed a proliferation of business models that exploit the grey areas. Some platforms operate as pure marketplaces, disclaiming any role in the sale. Others operate as inventory-led models, where the platform itself holds stock, procures medicines directly from manufacturers, and delivers them through its own fleet. Still others operate as "pharmacy aggregators," where a consumer uploads a prescription, and the platform forwards it to a network of local chemists, who then dispatch the medicine directly. Each model raises distinct legal questions, yet the absence of a definition means that all are treated under the same ambiguous rules[23].

The lack of definition also impedes the effective application of penal provisions. Under the D&C Act, selling drugs without a licence is a criminal offence punishable with imprisonment. If an e-pharmacy platform claims it is not a seller, and the underlying pharmacy has a licence, who is the offender? The Delhi High Court in *IndiaMART* (discussed below) attempted to answer this question by distinguishing between "listing" and "selling," but that distinction rests on facts that vary from platform to platform. Without a statutory definition, e-pharmacy regulation in India remains an exercise in judicial improvisation rather than principled rule-making[24].

The 2018 Draft E-Pharmacy Rules: A Blueprint Stalled

Genesis and Evolution: The 2015 DCGI Circular and the Sub-Committee Report (2016) The first formal acknowledgment of e-pharmacies as a regulatory problem came in December 2015, when the DCGI issued a circular to all state drug controllers drawing attention to the "sale of drugs on e-platforms" and noting that such sales appeared to violate the D&C Act's licensing requirements. The circular directed state authorities to take action against any website or portal selling medicines without a licence. In response, the leading e-pharmacy platforms – then including Netmeds, PharmEasy, and 1mg – approached the Delhi High Court seeking protection from coercive action[25][26]. The court, in *Zaheer Ahmed v. Union of India* (2018), declined to grant an interim stay but directed the central government to expedite the framing of dedicated rules. Consequently, the Ministry of Health and Family Welfare constituted a sub-committee under the chairmanship of the DCGI, with representatives from the Ministry of

Electronics and Information Technology, the NPPA, and the industry. The sub-committee submitted its report in October 2016, recommending a licensing regime specifically for e-pharmacies, a prescription-validation mechanism, and restrictions on the sale of certain categories of drugs. The report formed the basis for the Draft E-Pharmacy Rules, 2018[27][28].

B. Key Provisions of the 2018 Draft Rules

The Draft E-Pharmacy Rules, 2018, were notified for public comment on 28 August 2018. For the first time, they proposed a comprehensive regulatory architecture. Rule 3 required every e-pharmacy to obtain a registration certificate from the Central Licensing Authority (the DCGI) before commencing operations. Rule 4 mandated that the e-pharmacy must be owned and operated by a registered pharmacist, with a designated "chief pharmacist" responsible for all dispensing decisions. Rule 5 prescribed that no Schedule H, H1, or X drug could be sold without a valid prescription, which had to be uploaded by the customer and verified by the registered pharmacist before dispatch. Rule 6 required that the prescription be dispensed only once, with a digital record maintained for three years. Rule 7 prohibited e-pharmacies from offering any kind of discount, cashback, or reward point on the sale of prescription drugs, a provision clearly aimed at preventing the "predatory pricing" practices that had alarmed the brick-and-mortar chemist lobby. Rule 8 imposed data localisation requirements, mandating that all customer health data be stored on servers located within India. Rule 9 empowered the Central Licensing Authority to conduct inspections, suspend or cancel registration, and impose penalties for non-compliance. The draft rules also contained a grandfathering clause, allowing existing e-pharmacies to continue operating for six months while they applied for registration[29].

More than seven years have passed since the publication of the 2018 Draft Rules, and they have still not been notified. The official reason, repeatedly stated in Parliament and in court affidavits, is that the Ministry of Health is "examining the comments received from stakeholders." The unofficial reasons are more complex. First, the All India Organisation of Chemists and Druggists (AIOCD), representing over 800,000 retail chemists, has mounted an aggressive lobbying campaign against any formal recognition of e-pharmacies. The AIOCD argues that e-pharmacies would drive traditional chemists out of business, lead to mass unemployment, and compromise patient safety by encouraging self-medication. The AIOCD has also filed multiple public interest litigations seeking a complete ban on e-pharmacies, and while those petitions have not succeeded, they have created political pressure on the Ministry to delay notification. Second, within the government, there is an unresolved debate about the appropriate regulatory model. Some officials favour a permissive "light-touch" regime that would allow innovation to flourish, while others – particularly in the state drug control departments – advocate a restrictive model that would limit e-pharmacies to serving only those customers who physically visit a registered pharmacy and then order refills online[. The pharmaceutical industry itself is divided: large manufacturers and trade associations support regulation because it would create a level playing field, but some smaller platforms fear that the compliance costs of registration, data localisation, and prescription validation would render their business models unviable. Third, the COVID-19 pandemic shifted priorities. In 2020-21, the government tacitly allowed e-pharmacies to operate without enforcement, as they provided a critical service for home-bound patients. After the pandemic, the momentum for regulation had dissipated, and the

Ministry has since been preoccupied with the larger Drugs, Medical Devices and Cosmetics Bill, 2023, which is intended to replace the D&C Act entirely. The 2023 Bill contains provisions that would empower the central government to make rules for "online sale of drugs," but those rules have not yet been drafted. Consequently, the 2018 Draft Rules remain in a state of suspended animation, serving as a blueprint that everyone references but no one enforces.

Key Legal Challenges & Judicial Interventions

IndiaMART v. CDSCO (Delhi High Court, 2025) – The Landmark Ruling on Marketplace Accountability

The most significant judicial pronouncement on e-pharmacy regulation in India came in the 2025 decision of the Delhi High Court in *IndiaMART InterMESH Ltd. v. Central Drugs Standard Control Organization* (W.P.(C) 3670/2024). Although IndiaMART is primarily a business-to-business e-commerce platform, the case arose from a CDSCO notice directing IndiaMART to remove all listings for pharmaceutical products unless the sellers (the underlying vendors) possessed valid drug licences. IndiaMART argued that it was an intermediary within the meaning of Section 79 of the IT Act, that it merely provided a listing service, and that it had no obligation to verify the licences of its vendors. The CDSCO countered that by allowing unlicensed vendors to list drugs, IndiaMART was facilitating illegal sales and could not claim safe harbour because it had "actual knowledge" of the illegality after being put on notice.

Justice Prathiba M. Singh delivered a nuanced judgment that has become the de facto standard for e-pharmacy cases. The court held that an intermediary cannot be required to pre-screen every listing – that would amount to a "positive obligation to monitor," which is prohibited under Section 79(2)(b) of the IT Act read with the *Shreya Singhal* principle[30]. However, once the CDSCO or a state drug controller provides a specific list of illegal or suspicious listings, the intermediary has "actual knowledge" and must take them down within 72 hours, as required by Rule 3(2) of the Intermediary Guidelines. The court further held that for regulated goods such as drugs, the intermediary must put in place a "reasonable due diligence mechanism" to prevent the listing of drugs by sellers who do not hold the requisite licences. Reasonable due diligence does not mean manual verification of every seller; it could include an automated flagging system, a periodic audit of high-volume sellers, or a self-declaration with penal consequences for false declarations. The court explicitly rejected the CDSCO's argument that e-pharmacy platforms themselves must obtain a drug licence, stating that "the licensing requirement under the D&C Act attaches to the person who sells the drug, not to the person who provides a digital showcase for the seller." Nevertheless, the court added that this position would hold only so long as the platform does not take title to the drugs, does not set the final price independently, and does not exercise control over the actual dispensing process. If a platform crosses any of these thresholds, it would lose its intermediary status and would be treated as a seller.

The *IndiaMART* ruling has profound implications for e-pharmacies. Most platforms have restructured their operations to stay within the safe harbour: they ensure that the underlying pharmacy issues the invoice, that the platform does not hold inventory, and that the price is determined by the pharmacy (even if the platform suggests a range). However, the ruling also imposes a compliance burden that many smaller platforms cannot afford. The requirement to maintain a "reasonable due diligence mechanism" has been interpreted by the CDSCO to include maintaining a dynamic

database of licensed sellers, cross-verifying each seller's licence with the state drug controller, and conducting random test purchases. The court's observation about "exercise of control over the dispensing process" has been seized upon by state drug controllers to argue that e-pharmacy platforms that employ their own pharmacists to review prescriptions – even if those pharmacists work for the underlying pharmacy – are effectively controlling the process and must therefore be licensed. The judgment did not resolve this ambiguity, leaving it for future litigation. Perhaps most importantly, the *IndiaMART* case is a High Court decision and is binding only within the jurisdiction of the Delhi High Court. Other High Courts – particularly the Madras High Court, which has been actively monitoring e-pharmacy regulation – may adopt a different interpretation. The Supreme Court has yet to grant leave to appeal in any e-pharmacy case, meaning that the law remains unsettled at the highest level. Until the 2018 Draft Rules are notified or the 2023 Bill is enacted, the *IndiaMART* framework will serve as the operational guide for e-pharmacies, but it is a fragile and contested guide, subject to constant challenge both in courts and in the corridors of regulatory power.

Emerging Compliance Landscape & Regulatory Uncertainty (2025)

The Jan Vishwas (Amendment of Provisions) Act, 2023, represents a significant legislative experiment aimed at decriminalising minor offences across various sectors, including healthcare. For the Pharmacy Act, 1948, the amendments—which were formally notified on 13 June 2025—introduce changes to Sections 26A, 41, 42, and 43[31]. The most notable modification is the replacement of penal provisions that previously carried imprisonment for up to six months or a fine of one thousand rupees with a monetary penalty of up to one lakh rupees under Section 26A. The stated objective of the Jan Vishwas Act is to simplify compliance requirements and promote "ease of doing business" by substituting criminal sanctions with financial penalties for minor procedural violations. The question, however, is whether this constitutes genuine modernisation of pharmacy regulation. For e-pharmacies, the answer is largely negative. The amendments do not address any of the structural challenges facing online medicine sales—they do not define what an e-pharmacy is, do not create a licensing framework for digital platforms, do not prescribe prescription-verification standards for remote consultations, and do not establish data-protection norms for patient health information[32]. The penalty structure for registered pharmacists may have been rationalised, but the core regulatory apparatus remains the same pre-digital framework that never contemplated the existence of an online pharmacy. Moreover, the decriminalisation of certain procedural violations could, ironically, reduce the deterrent effect of the law precisely when e-pharmacies are operating in a regulatory vacuum. A monetary penalty of one lakh rupees is a minor compliance cost for a well-funded platform, not a meaningful check on unsafe practices. The Pharmacy Council of India issued an implementation circular on 19 June 2025, but that circular merely operationalises the amended penalty provisions; it does not bring e-pharmacy regulation any closer to a coherent statutory framework. Thus, while the Jan Vishwas Act modernises the *penal architecture* of the Pharmacy Act, it leaves the *substantive regulation* of e-pharmacies exactly where it was—nowhere[33].

B. GSR 817(E) and GSR 220(E): The Proposed Regulations Under Scrutiny

Two notifications have become the epicentre of the e-pharmacy regulatory controversy in 2025–

2026: GSR 817(E) and GSR 220(E). GSR 817(E) is the draft notification published on 28 August 2018 that proposed a comprehensive framework for e-pharmacy operations in India, including registration requirements, prescription verification norms, operational safeguards, and a mechanism to penalise violations. The critical point—and the source of endless confusion—is that GSR 817(E) was never formally notified as a binding regulation; it remains a draft, neither enforced nor withdrawn. For over eight years, it has lingered in regulatory limbo, serving as a reference document that no one is legally obliged to follow.

GSR 220(E) was notified during the COVID-19 pandemic as an emergency measure permitting pharmacies with valid registration to provide doorstep delivery of medicines. This notification was intended to be a temporary relaxation of the physical-presence requirement, allowing patients to receive medicines at home during lockdowns. However, according to the All India Organisation of Chemists and Druggists (AIOCD), e-pharmacies have exploited GSR 220(E) to justify their entire business model, claiming that doorstep delivery of medicines ordered online falls within its scope. The AIOCD has forcefully argued that this is a misuse of an emergency provision and that GSR 220(E) should be withdrawn immediately[34].

The controversy has escalated to the point of nationwide chemists' strikes. On 20 May 2026, over 800,000 chemists across India went on strike, demanding the withdrawal of both notifications. The AIOCD's General Secretary, Rajiv Singhal, stated: "There is rigorous regulation of e-pharmacies that is why we have called for two of the government notifications to be withdrawn. The 2018 draft regulation has remained a draft and has been under review for nearly eight years now". The association also raised concerns about the business practices of e-pharmacies, including deep discounting of up to 50% and the filling of fake prescriptions, which they argue constitute unfair competition against traditional retail chemists. The government has assured a review, but no concrete action has been taken, leaving both notifications in a state of unresolved legal ambiguity[36].

Stricter Scrutiny for Quick Commerce and Rapid Delivery Models

The most explosive development in the e-pharmacy landscape has been the entry of quick-commerce platforms—Blinkit, Zepto, and Swiggy Instamart—into medicine delivery, offering delivery times as low as 10 minutes. Zepto announced its entry into pharmaceutical delivery in August 2025, joining Blinkit and Swiggy Instamart in the race. Prior to this, Swiggy had entered the segment in August 2024 through a partnership with PharmEasy. This rapid expansion has triggered immediate and severe regulatory scrutiny. The core concern is that medicines—particularly prescription-only drugs classified under Schedules H, H1, and X—are being delivered without adequate oversight, a practice that the AIOCD warns could drive drug abuse and endanger public health.[38]

On 13 August 2025, the AIOCD wrote to the Union Home Ministry, alleging that easy access through online quick-commerce delivery has led to a sharp rise in the misuse of Schedule H drugs, including Pregabalin, which is used for neuropathic pain, epilepsy, and anxiety. The association alleged that medicines are being issued online without genuine prescription verification, raising concerns about "ghost prescriptions"—fake or fabricated prescriptions used to procure restricted drugs. The AIOCD has urged the government to impose an immediate ban on the online sale and 10-minute delivery of Schedule H/H1/X medicines, order the closure of e-pharmacies violating the Drugs & Cosmetics Act, and enforce strict measures to protect youth from the dangers of addiction[39].

The operational model of quick-commerce medicine delivery magnifies every risk inherent in traditional e-pharmacies. Dark stores—small urban warehouses designed for rapid dispatch—are not licensed as pharmacies under state rules, yet they function as dispensing points. A single dark store may employ a remote pharmacist reviewing prescriptions on a screen, while a delivery executive with no pharmaceutical training hands the medicine to the consumer[40]. The speed imperative—delivering within 10 minutes—directly conflicts with the careful prescription verification and patient counselling that the Pharmacy Act and the Pharmacy Practice Regulations require. As one expert noted, "If platforms commit to only e-prescriptions issued and signed by registered doctors, run an automatic check against the National Medical Register, and keep a pharmacist in the loop before dispatch, leakage can be driven close to zero—even with fast delivery". However, no quick-commerce platform has publicly committed to such safeguards, and the regulatory vacuum means there is no legal obligation to do so.

The Proposed Drugs, Medical Devices and Cosmetics Bill, 2023 – A Future Regulatory Blueprint

The most significant long-term development is the proposed Drugs, Medical Devices and Cosmetics Bill, 2025, which seeks to replace the eight-decade-old Drugs and Cosmetics Act of 1940. The Bill was presented by the Drugs Controller General of India at a high-level meeting of the Union Health Ministry in October 2025 and is expected to be uploaded for public comments before expert deliberation. For e-pharmacies, the Bill contains a critical provision: it mandates licensing for online drug sales, prohibiting the sale or distribution of medicines without government approval. This would, for the first time, create a statutory basis for regulating e-pharmacies, moving beyond the interpretive gymnastics required under the current law.

However, the Bill's journey to enactment remains uncertain. It is still in the "stages of discussion," with no firm timeline for presentation in Parliament. Moreover, the Bill's primary focus is on strengthening the quality and safety oversight of drugs, medical devices, and cosmetics—and on granting the Central Drugs Standard Control Organisation (CDSCO) direct enforcement powers, which it currently lacks. The provision on e-pharmacy licensing appears to be one clause among many, not the centrepiece of the legislation. Whether the Bill will include detailed provisions on prescription verification, data privacy, pharmacist oversight for online sales, and the specific obligations of quick-commerce platforms remains to be seen. Furthermore, the Bill would require the framing of subordinate rules to operationalise e-pharmacy licensing—a process that could take years and would repeat the same delays that have stalled the 2018 Draft Rules. Until the Bill is enacted and the rules are notified, e-pharmacies will continue to operate in the same legal grey zone, and the 2018 Draft Rules—now eight years old—will remain a blueprint that everyone references and no one follows[41].

Legal Responses to Consumer Protection & Drug Quality Concerns

Order-and-Approve" Practices: The Blinkit Telemedicine Controversy

The most alarming consumer protection scandal of 2025 involved Blinkit's "instant doctor-call" feature, which exposed the dangers of conflating medicine delivery with grocery delivery. An X user, Neha Moolchandani, ordered Candiderma Plus cream, Cheston Cold and Flu tablets, and Azicip (an antibiotic) from Blinkit. Within minutes, she was connected to a "general physician" on the app who approved the exact

medicines she had already placed in her cart—without asking about her symptoms, medical history, or any supporting test results. The consultation lasted barely a minute. India Today conducted the same exercise, ordering the prescription-only antibiotic Azithral 200 mg liquid. The app automatically connected the reporters to a doctor who identified themselves only as "Dr Aiman". The doctor issued a prescription but refused to share their full name, registration number, or place of practice—a clear violation of regulatory norms. An investigation by Outlook later revealed that, of four e-prescriptions issued by Blinkit, two listed doctors whose names or registration numbers could not be located in the National Medical Commission registry[42][43].

Medical professionals were scathing in their criticism. Dr Suranjit Chatterjee of Indraprastha Apollo Hospital called the practice "completely wrong," stating that "a doctor takes time with a patient, sees their blood reports, and only then prescribes a medicine. Without any such reports or knowing the background health of a patient, there's a high probability the prescribed medicine will be wrong". Hepatologist Dr Cyriac Abby Philips (widely known as The Liver Doc) wrote on X: "This is pretty much a stupid service, not to mention dangerous. A physician has diagnosed a fungal infection through a phone call and given a prescription for antibiotics for a viral cold". He warned that Blinkit's model trivialises healthcare and exposes patients to serious risks.

CONCLUSION

The regulatory framework for e-pharmacies in India stands at a critical juncture, trapped between the undeniable promise of digital healthcare access and the equally undeniable dangers of unregulated medicine distribution. After more than eight years of deliberation following the 2018 Draft Rules, the legal landscape remains characterised by confusion, contradiction, and judicial improvisation. The Drugs and Cosmetics Act, 1940, continues to operate as a pre-digital relic, forcing courts and regulators to stretch its provisions beyond any plausible original meaning. The Pharmacy Act, 1948, with its vision of a pharmacist physically present at a dispensing counter, offers no guidance on remote prescription verification or digital patient counselling. The Information Technology Act, 2000, provides a safe harbour that e-pharmacies have vigorously invoked, but the Delhi High Court's 2025 ruling in *IndiaMART* has made clear that this safe harbour is conditional, fragile, and subject to a fact-intensive inquiry into whether the platform exercises "control" over the transaction. The Consumer Protection (E-Commerce) Rules, 2020, impose accountability obligations, yet they were drafted for generic e-commerce, not for the specific risks of prescription drugs. The consequences of this regulatory vacuum are no longer theoretical. The Blinkit telemedicine controversy has exposed how "order-and-approve" practices reduce medical consultations to a one-minute formality, with doctors issuing prescriptions for antibiotics and antifungals without any clinical examination. The proliferation of instant prescriptions undermines medical ethics, fuels antimicrobial resistance, and places patients at risk of misdiagnosis and adverse drug reactions. The failure of India's QR code-based drug authentication system—demonstrated by counterfeit Levipil 500 circulating with genuine-appearing QR codes—reveals that even well-intentioned technological safeguards are ineffective when poorly designed and inadequately enforced. Quick-commerce platforms promising ten-minute medicine delivery magnify every risk, from unlicensed dark stores to the absence of pharmacist oversight at the point of handover. The chemists' lobby, representing over 800,000 traditional retail pharmacies, has mounted a sustained campaign against e-pharmacies,

culminating in nationwide strikes and demands for the withdrawal of the 2018 Draft Rules. Yet shutting down e-pharmacies entirely is neither feasible nor desirable; the convenience, accessibility, and cost advantages they offer—particularly for chronic disease management and for patients in remote areas—are real benefits that cannot be ignored.

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