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Legal Issues and Challenges in Electronic Contracts

Sachin Madhukar Shirke[1] and Dr. Gizala Hashmi[2]

[1]Research Scholar, Department of Law

[2]Assistant Professor, Department of Law

Sunrise University, Alwar, Rajasthan

Abstract: *It is widely acknowledged that the complete computer is a marvel of human ingenuity. The internet's advancements have also brought about several improvements in the information technology sector. The internet is utilized almost everywhere, including for social networking, electronic shopping, dispute settlement, chat blogs, and mail sending. Among all of them, electronic commerce is one of the most important aspects of the internet. E-commerce encompasses all of the work that a company or person may do, including purchasing and selling goods and services via the use of computers and communication technology.*

It might include a variety of tasks, including supply chain management, shopping, automated electronic payments, etc. As e-commerce has grown, vendors may now operate anywhere in the globe, and buyers have a plethora of options when it comes to choosing a vendor. Efficiency has significantly improved, paperwork has decreased, downtime has decreased, and costs have decreased. It is important to note that e-contracts are a component of e-commerce. Therefore, it is crucial to talk about one aspect of e-commerce before discussing e-contracts. E-commerce may be defined as the purchasing and selling of products and services online using an electronic platform or digital form..

Keywords: Electronic contracts, E-contracts, Digital contracts.

I. INTRODUCTION

Together, the internet computer and the data network have brought about developments in the information technology industry. The Internet is the whole of computer-based data storage and Internet communications that are accessible via computer networks. In general, information technology has impacted every aspect of managing and processing data to generate information. One In addition, it includes database and computer connections. consuming and exchanging knowledge with one another. Information technology is always evolving. especially how individuals live their lives. Information technology advancements have a significant impact on both the economic standing of a country and the standard of living of its citizens.

Regarding information technology, one of their primary areas has had a significant impact on trade and industry. Businesses may now communicate with clients, suppliers, colleagues, and originators in a new way thanks to information technology. The computer-based assistance and automation of a contract in a cross-escalation of a company is known as an e-contract. It is the newest method for managing and supporting business colleagues' online relationships, and it is created by designating carried out, displayed, controlled, and overseen by a software procedure. E-contracts are technically similar to conventional commercial contracts that are based on paper. Considering that an e-contract is a totally or partly electronic form, then by all means.

KINDS OF ELECTRONIC-CONTRACTS

Widely, ‘electronic-contracts’ can be classified into following three kinds:

Clicks wrap Agreements.

Shrink-wrap Agreements.

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Browse -wrap / web -wrap Agreements.

CLICK-WRAP AGREEMENTS

An electronic version of the shrink-wrap license agreements is called a "Click-Agreements." It occurs in shrink-wrap contracts. It takes effect when a buyer and a customer click on an electronic button. For example, when browsing the internet, the user and the vendor click on the "I Agree" push button on the website to buy back or "I Agree" button on the website to purchase and upload the software. The terms and conditions for the sale of the contract will be deemed approved by each individual product. Customers always have the option to return to the software program in the event that their new designation does not likely result in a full refund. These contracts are often included in computer software or CDROMs, and using CDROMs contains agreements that are first and foremost found. These contracts are also a component of software systems, and they are uncompromising in nature, meaning that there is no room for negotiation. Because users of this kind of software only have two options, they may either choose to accept and use that particular application or reject it along with the end user licensing agreement.

SHRINK-WRAP AGREEMENTS

This kind of contracts is compact with the goods or products. Take into consideration the approval of those operating conditions.

BROWSE -WRAP AGREEMENTS

These agreements or contracts are often found on websites or in manufactured things that may be uploaded. These kinds of contracts are distributed on specialized websites, and we must use the internet to look out the specific terms and conditions. These contracts or agreements are unusually ambiguous. Contracts created and "signed" off on an electronic form are known as electronic contracts. In other words, no paper or other hard copy document is necessary. When we draft a contract on our computer and submit it to a business partner or colleague, for example, the business partner sends it back with a digital signature that indicates acceptance.

"Click to Agree" contracts, which are often used with uploaded software, may also be considered "electronic contracts." Contract creation considerations now center on the use of information technology via dialogue between accepted parties. When a contractual process gets mechanized, a far more challenging issue begins to arise. Traditional contracts emphasized the need of mutual understanding. One of the essential assumptions is that several people would participate in eye-to-eye or transmission-based bargaining. However, the goal of modern technology is to eliminate people's challenges or barriers to involvement in transactions.

AIMS AND OBJECTIVES

This article's primary goals have been to investigate the practical and legal circumstances surrounding the formation and operation of electronic contracts. In the current situation, electronic contracts are quite important. This assignment explains the primary goal of the electronic contract that everyone should be aware of.

CATEGORIZATION OF ELECTRONIC-CONTRACT

Contracts may be separated into two categories: electronic data exchange and cyber contracts.

CYBER-CONTRACTS

This kind of contract is carried out entirely or in part using computer-based communication. When a proposition or agreement is undeniable, it may be carried out entirely by email. Alternatively, it can be carried out with a combination of computer-mediated communications, copy paper, record fax, and discussion. Emails and commercial websites are the most common methods used to transmit business. The following are included in cyber contracts:

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ELECTRONIC-MAIL OR E-MAIL

The process of exchanging online information over a computer network or the internet globally, sometimes referred to as "e-mail," involves sending information across information space. "Interchange of computer-based collected information by communications technology" is one way to describe it. Email is still widely used and is likely one of the main forms of online exercise. Email is a tool used by businesses to transmit and receive messages or information quickly and securely via a data network or online. When it comes to electronic data processing, email is a convenience that allows several people to communicate with each other via computer networks or similar devices.

One crucial component of electronic commerce is email. The most modern concept is using websites to exchange data, files, messages, images, voice, papers, and recordings amongst data networks. It is a rapid, vulnerable, or specific method of disseminating information. The message header, which contains the email text, and the message body are the two essential components of an email. Anyone interested in receiving service data by email has to have a working email account, which they may get by registering with an internet service provider that offers reliable mail service.

ELECTRONIC DATA INTERCHANGE

It refers to the transfer of business-structured data across computers in a common electronic format. It refers to the electronic transport of communication between computers. Through a computer network, these contracts allow the parties to directly exchange service information.

DEFINITION

EDI can be defined as a set of standards that are used to conduct business transactions and exchange services between computers. It is a process that allows devices to exchange structured data that has been composed in accordance with agreement standards and that has been directed among other computer networks through information transmission or without human interaction. Electronic information Interchange encompasses a range of contractual arrangements: -

the basic commercial relationship, such as product sales. Interchange contracts, often referred to as business partner agreements, are electronic contracts that govern the electronic exchange of information between parties. The method of regulating the relationship between each electronic data interchange associate and its VAN by a set of rules or web contracts. All computer-based contracts are made possible by electronic data transmission, yet not all contracts are formed only via electronic communication. A digital contract would not be formed by communications that unquestionably include information in substance. Examples of computer-based documents that use approval and proposal indicators are as follows:

Broadcasting of goods and services.

Bills

Price

Obtain orders

Submit document in electronic form with Government.

METHOD APPROACHABLE FOR CREATING ELECTRONIC CONTRACT INCLUDES

E-Mail: Proposal and acceptance may be interchanged completely by e-mail, or can be incorporate with telecommunication, paper documents, fax etc.

Web site forms: The vendor can provide goods and services by the websites. The consumer places an order by executing and dispatching the order form given on the webpage. The product may be delivered physically later or delivered immediately electronically.

Online Agreements: Customers may require to approve an online consent for the purpose of afford benefit of services example clicking on ‘I accept ‘when uploading software or clicking. I agree’ at the time of signing up for an e -mail account.

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BHAGWANDAS KEDIA: UNLOCKED THE ENTRANCE FOR THE ELECTRONIC-CONTRACT:

Prior to the case's decision, the Contract Act of 1872 applied to standard contract terms, which provide for a contract to be signed in person by two competent parties. It is crucial to discuss Entores Ltd. vs. Miles Far East Corporation in order to wrap up the Kedia case. The Kedia Case ruling is based on this case. The Court ruled that the law of the post is different from the teleprinter, which allows for rapid contact between the parties. The agreement is created at the moment it is received, and the contract is only accepted after the proposer has received it.

REASONING AND JUDGMENT

A three-judge panel made up of Justices J.C. Shah, K. N. Wenchow, and Mohd. Hidayatullah rendered the decision. As stated in the Entores case, the judges who instituted majority opinion preferred to adhere to the English norm. Shah, J. It has been noted that the formation of a proposal in one location that has already been received in another location does not provide the right to pursue a claim for damages for nonperformance of the contract. Usually, what results in a contract is the acceptance of an offer and the implied acceptance of that acceptance. The inference must come from the same information that the law deems appropriate.

ESSENTIAL ELEMENTS OF VALID E-CONTRACT ARE AS FOLLOWS

(1) Offer: An offer is required, and it is not made by a website listing goods for sale at a certain price; rather, it is referred to as a "invitation to offer" and is thus subject to revocation at any point prior to acceptance. When a buyer places an item in the virtual "basket" or "shopping cart" for payment, they are making an offer under an e-contract. (2) Offer acceptance: When the seller agrees to sell the product in accordance with the offer made by the customer who added the item to his shopping cart, the offer is fully accepted.

(3) Consideration: The payment must be made legally. (4) Participants: The parties must be of legal age to enter into a contract; they cannot be children, insane, or otherwise unsound. (5) Free-agree: In order to carry out the terms of the contract, the parties must freely agree. (6) Goal: The contract's goal must be legitimate and in line with public policy. (7) Confidence and Ability to Execute. The agreement that has to be fulfilled needs to be clear and feasible. If a travel firm advertises on its website that it will arrange a trip to the moon, and the traveler purchases a ticket for that purpose. It is not feasible to fulfill this kind of contract. It is thus null and void. (8) Legal relationship: If the parties did not intend to establish a legal connection, the contract will be null and invalid.

E- CONTRACT IS A VALID CONTRACT UNDER INDIAN LAW OR NOT?

The original IT Act had no specific clause addressing the legality of e-contracts. Section 10A, which addresses the legality of contracts made into electronically, or "Electronic Contracts," is later included to the IT (Amendment) Act 2008. According to Section 10A, a contract "shall not be deemed to be unenforceable solely on the ground that such electronic form or means were used for that purpose" if "the communication of proposals, the acceptance of proposals, the revocation of proposals and acceptances, as the case may be, are expressed in electronic form or by means of an electronic record."

The definition of "Data Message" is established in Article 2(a) of the 1996-framed and 1998-amended Universal Model Law on Electronic Commerce. Information created, sent, received, or stored by electronic, optical, or similar methods, including but not limited to electronic data interchange (EDI), electronic mail, telegraph, telex, or telecopy, is referred to as a "data message" under this article.

According to Article 11 of the UNICITRAL Model Law on E-commerce, a contract that uses a data message in its construction cannot be rejected for lack of validity or enforceability based just on the use of the data message.

II. CONCLUSION

Trade is greatly impacted by computers, which have also facilitated the growth of e-commerce. With its highly skilled labor force, a country like India has exceptional potential to benefit from e-commerce. The business sector in our nation

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is becoming more aware of the opportunities presented by e-commerce. One aspect of information science that has been more useful in global trade and, in particular, Indian income is e-commerce. E-commerce has also taken over important Indian web sites. In the twenty-first century, electronic contracts may be a machine for progress and a potent instrument to help us achieve all of the goals of the millennial generation.

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