



VALIDITY/LEGALITY AND EVIDENTIARY VALUE OF E- CONTRACTS IN THE EYES OF LAW



01

What is an E-contract?

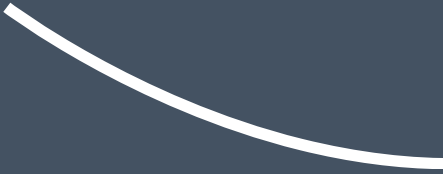
Electronic contracts known as e-contracts serve as a replacement for paper-based contracts.

PERKS:

- Time-saving
- Efficient
- Similar to other contracts



Essentials of a valid E-contract

1. Offer
 2. Acceptance
 3. Lawful consideration
 4. Competent party
 5. Intention to form legal relationships
 6. Free consent
 7. Electronic signature
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Validity

03

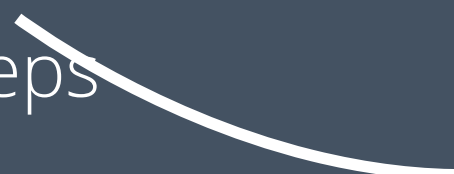
Section 10-A states that,

“Validity of contracts formed through electronic means. Where in a contract formation, 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 using an electronic record, such contract shall not be deemed to be unenforceable solely on the ground that such electronic form or means was used for that purpose.”



Enforceability

An electronic signature is considered reliable

1. It has to be unique to the holder/signatory.
 2. The signatory must have control over the data used to generate the signature, at the time of signing.
 3. Any alteration to document holding must be detectable.
 4. There should be an audit trail of steps taken during the signing process.
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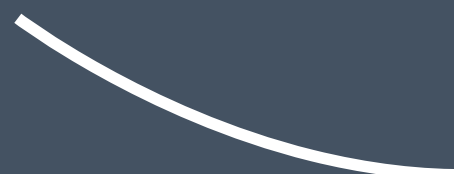



Evidentiary value



05

As per Section 65-B of the Indian Evidence Act, 1872,

- The document should be produced on a computer by a person having lawful control over the system.
 - The information should be fed to the system regularly.
 - The output computer must be in a proper operating condition without affecting the accuracy of the entered data.
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Even in its simplicity, an E-Contract is as valid as a traditional written contract. It can be concluded that there is sufficient recognition of the validity of the electronic contracts and signatures provided their usage has been widely increased with time.

