LEGAL NOTICE FOR BREACH OF SHAREHOLDERS' AGREEMENT
India - General sample for reserved matters, information rights, share transfer, exit and governance

IMPORTANT: General drafting sample only. Review the executed SHA, amendments, Articles of Association, company type, arbitration clause, regulatory restrictions (including FEMA/SEBI where applicable), limitation and facts before service.
A notice does not itself amend the Articles, transfer shares or grant an injunction.

FROM: [Shareholder / investor / founder name]
Address: [Address, email, phone]
THROUGH: [Advocate name and office details]
DATE: [DD/MM/YYYY]
TO: [Defaulting shareholder / promoter / company, as appropriate]
Address: [Address / registered office]
COPY TO (if appropriate): [Other signatory / company / board, only if proper]
REFERENCE: [Notice reference]

SUBJECT: Notice of breach of Shareholders' Agreement dated [date] and demand to cure / comply

Sir / Madam,

Under instructions from my client [name] ("my client"), I issue this notice concerning the Shareholders' Agreement dated [date], as amended on [dates] ("SHA"), relating to [company name, CIN if known] ("Company").

1. That my client is a [shareholder / investor / founder] holding [number and class] shares, representing [percentage]% of the Company's issued share capital, and is a party to the SHA with [other parties]. The Company is [a party / not a party].

2. That under clauses [numbers], the parties agreed to [identify obligations: reserved-matter consent, board nomination, information / inspection rights, pre-emption / ROFR, tag-along / drag-along, exit, funding, non-dilution, dividend, confidentiality, deadlock or other covenant]. The obligation became due on [date / event].

3. That my client has performed, or remains ready and willing to perform, the obligations required from my client, including [contributions, notices, consents, documents or other performance]. Supporting records are in Annexure A.

4. That you have breached the SHA by [specific act / omission], namely [facts, dates, meeting / resolution / transaction / refusal], contrary to clause [number]. The breach has [continued / caused consequence] despite [earlier communication].

5. That the disputed action concerns [reserved matter / transfer / dilution / board or information right / exit / other]. The SHA must be read with the Articles of Association and the Companies Act, 2013. A contractual promise between signatories does not automatically bind the Company or override statutory duties where the Company is not a party or the relevant provision is not reflected in the Articles.

6. That Section 58(2) of the Companies Act, 2013 recognises that a contract or arrangement between two or more persons concerning transfer of securities is enforceable as a contract. Its application and the enforceability of a particular clause depend on the company type, parties, wording, Articles and applicable law.

7. That the Bombay High Court in Bajaj Auto Ltd. v. Western Maharashtra Development Corporation Ltd., Appeal No. 153 of 2010, judgment dated 8 May 2015, considered contractual pre-emption rights between shareholders. The decision supports contractual enforcement inter se, subject to the statute and facts. V.B. Rangaraj v. V.B. Gopalakrishnan (1992) concerned restrictions not reflected in the Articles under the earlier Companies Act; the statutory framework has since changed, including the proviso to Section 58(2).

8. That my client reserves contractual remedies, including damages under Sections 73-74 of the Indian Contract Act, 1872, specific performance where available under the Specific Relief Act, 1963, and interim injunctive relief. Where conduct may amount to oppression / mismanagement, Sections 241-242 read with Section 244 may be considered if statutory conditions are met. A notice alone does not establish those conditions.

9. That where the SHA contains an arbitration clause, the parties must follow its dispute-resolution mechanism. This notice is [a contractual cure / demand notice] and does not invoke arbitration under Section 21 of the Arbitration and Conciliation Act, 1996 unless expressly stated and issued in compliance with the clause.

10. You are called upon, within [15 / 30] days of receipt or within the contractual cure period (whichever applies), to: (a) cease and cure the identified breach; (b) perform clause [number] by [specific action]; (c) provide information / documents / consent / transfer steps demanded, if contractually due; (d) reverse or refrain from implementing the disputed action to the extent legally and contractually possible; (e) preserve board, shareholder, financial, email and transaction records; and (f) provide a reasoned written response with supporting documents.

11. That if the breach is not cured, my client reserves the right to invoke arbitration or pursue appropriate civil / company-law proceedings for performance, damages, declarations or interim protection, subject to jurisdiction, maintainability, limitation and the SHA. No right or remedy is waived.

12. That limitation must be assessed separately for each relief and cause of action. Articles 54 and 55 of the Limitation Act, 1963 may be relevant to specific performance and compensation for breach, respectively, depending on the facts. A legal notice or negotiation does not automatically suspend limitation.

13. That this notice is issued without prejudice to all rights, claims, remedies and contentions of my client.

You are requested to confirm compliance and your position in writing within the period stated above.

Yours faithfully,
[Advocate name]
Advocate for [Client name]
[Enrolment No. / office / contact]

ANNEXURE A - SHA BREACH PARTICULARS AND RECORDS
SHA / amendments: [Dates, parties, relevant clauses, side letters]
Company / shareholding: [Company name, CIN, share class / number / percentage]
Obligation due: [Reserved matter / information right / transfer / exit / other]
Breach particulars: [Specific act, date, meeting / transaction / refusal]
Earlier communications: [Emails, minutes, notices, acknowledgments]
Relief demanded: [Cure / compliance / documents / reversal / other]
Forum clause: [Arbitration clause, seat, institution, notice requirements]

SUGGESTED ENCLOSURES: executed SHA and amendments; relevant Articles; cap table / shareholding proof; board and shareholder notices / minutes; disputed resolutions or transaction documents; sender’s compliance proof; loss calculation; earlier correspondence.

CAUTION: Review notice and cure provisions, arbitration seat / jurisdiction, company type, statutory thresholds, whether relief affects the Company or third parties, and any FEMA / SEBI rules. Tailor before service.