Date

Dear Mr. David,

This letter is being written to you for highlighting that your company ABC Limited has breached the contractual terms of the XYZ project.

We, YYY Limited, and ABC Limited signed a contract on 7th March 20XX. According to the contract, you released a 10% payment for the initial work. It was mutually decided that 40% additional payment will be released on 1st June 20XX, to maintain the smooth operations. However, ABC Limited has violated the clause by releasing only 15% of the total amount, as a second payment. This has disrupted the supply purchases as well as the production process. We are facing many issues due to your short payment, and it is impacting our relations with our suppliers as well, as we are being unable to make timely payments to them.

Kindly, release the remaining payment, so that the pace of the work does not slow down further. Otherwise, we will be forced to stop the production of [X] product and might have to settle the issue legally. As you have breached the contract, which is an illegal act, you will have to face consequences, that would be detrimental to your company’s reputation.

We want to complete this project without any bad experiences with your company, which is why we are writing this letter first before approaching you legally.

If there is any issue, we are ready to be flexible. You can reach us at [X] and explain the problem.

We hope that you will settle the things with us soon and release our payment. Thank you.

Regards,

Maria Steven.