

[Your Company Letterhead]

[Date]

[Contractor's Name]

[Contractor's Address]

[City, State, Zip Code]

Subject: Non-Deduction of TDS for Contract Services

Dear [Contractor's Name],

We acknowledge the services rendered by you for [brief description of the work performed] under [contract/project name] as per our agreement dated [contract date].

In accordance with Section [relevant section] of the Income Tax Act, we wish to inform you that we will not be deducting Tax Deducted at Source (TDS) on the payments made to you for the period [start date] to [end date].

This decision is based on [mention reason, e.g., total payments being below the threshold limit, specific exemption clause, etc.].

We request you to keep this letter for your records and to provide us with any necessary documentation needed to comply with tax regulations.

Thank you for your continued cooperation.

Sincerely,

[Your Name]

[Your Position]

[Your Company Name]

[Your Contact Information]