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Pricing Strategy for CA Firms: What I Got Wrong (and Right)

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6 - 7 minutes

₹1,500. That's what a CA quoted for an income tax return, and the internet lost its mind. The client scoffed. The tweet went viral. Everyone had an opinion by evening.

My first reaction was the obvious one — why quote after filing, not before. Negotiate first, argue later, basic hygiene.

Then I sat with it a bit longer, and a different question showed up, one I didn't like as much.

Why was ₹1,500 even a number we were willing to say out loud?

Because here's the truth nobody in that thread wanted to say. That client didn't set the floor. We did. Years of us. One ₹1,500 return at a time, across thousands of firms, until it became the market rate for our own skill.

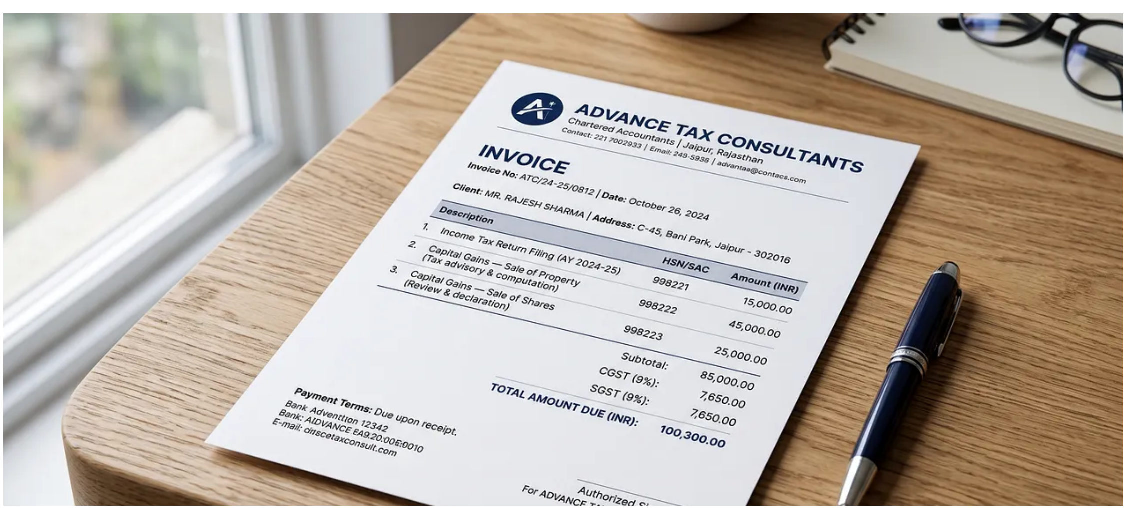
Before the technique, one line that makes the rest of this pointless if skipped: pricing comes later. You cannot mental-model your way out of a value problem. Build something worth paying for first. Everything below only works after that.

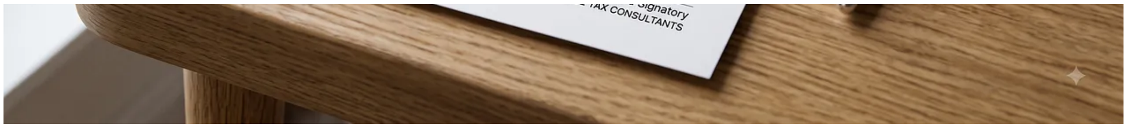
I say this with some scar tissue. Early on, I quoted a client without ever looking at their financials first — took their word for it on the phone, gave a number before I'd earned the right to one. Turned out there was far more in there than expected, and I ended up doing significantly more work for the exact same fee. I've also had to go back weeks in and renegotiate scope I misjudged on a rushed call — worse than the conversation you avoid by staying quiet and calling back later. Lesson stuck: unless it's fully standardised, never quote on the first call. See the scope first. Commit to the number after.

Which is really why the proposal exists. Send it, every single time, before any work starts. Mine goes out every April to all my regular clients. Half don't reply — fine, the day the invoice lands and someone raises an eyebrow, I have something to point back to.

Where I slipped was with the irregular ones — the one-off, once-a-year clients I couldn't be bothered writing a proposal for, so I'd just say the fee on the phone instead. Those turned out to be exactly the clients most likely to dispute a number they'd never seen in writing. A proposal isn't paperwork. It's the scope, written down, so nobody's memory gets to be selective later.

Once the proposal's in, the invoice is where the money gets structured. Bifurcate everything. A return isn't one number — return filing is one line, capital gains from that property sale is another. You can keep adding lines forever if the work is really there.





And know your bread and butter from your cream. Luxury businesses run on the lowest cost and the fattest margin — that's the whole model. Apply luxury margins to your bread-and-butter compliance work and watch the client walk. Apply bread-and-butter margins to your cream, specialised work, and you might win it — and wish you hadn't.

How you talk about all this matters as much as the number itself. I used to think clients paid for 44AB, for statutory audit, for 3CEB — for the section, the certificate. They're not. It took a fair bit of maturity to see that people pay for the work that got done, not the label we put on it. The day I stopped leading with the section and started leading with what it protects them from, the fee conversation changed completely.

Don't play the Gillette game either. Cheap now, promise yourself you'll raise it later. Client habits don't move that way. The day a Bombay Shaving Company shows up with a shinier razor, they're gone — and they'll find a CA cheaper than you were on day one, because you're the one who taught them to shop on price.

And when a new client walks in carrying complaints about their last CA, don't join in. Not one word. Somewhere down the line, some other firm will be sitting across from your client, listening to complaints about you. Aap kandha hi banke reh jaoge. You'll only ever be someone's stepping stone, never the one people actually trust.

Here's a confession I don't love making. For years, I never once asked a fellow professional what they charged for comparable work. Just assumed nobody would tell me, so why bother asking. Turns out CAs are surprisingly happy to talk fees over chai, once you actually ask. Some of the most useful numbers I have today came from one straight, slightly awkward phone call.

For the client who's sticking around, a different set of rules. Push for retainers, but only with scope written down in black and white — a retainer without defined scope isn't a retainer, it's an open door for scope creep. On longer, meatier engagements, milestone billing works well.

Escalation — annually, or every two-three years? I do it annually, and I'm still not fully sure it's right. Annual trains clients to expect the conversation like clockwork. Every two-three years, the jump is bigger and harder to defend in one sitting. I lean annual. Ask me again in five years.

Underneath all of this, one shift that changes everything above it: with AI doing the drafting, the first-pass computing, the routine checking — man-hours are dying as a pricing logic. What survives is value. Only that.

One last one, and it's small, almost a party trick compared to everything above — but it's earned me more than its size suggests. Never quote in round figures. ₹40,000, ₹50,000 — unless the service is fully standardised, don't. Say ₹32,000. Say ₹54,000. A round number smells like it was picked out of the air. An odd one smells like someone actually sat and worked the hours.

So, back to that ₹1,500 tweet, one last time.

I've quoted blind. I've quoted on a call I should have paused on. I've stayed quiet for years instead of just asking another CA what they charge. That CA who quoted ₹1,500 isn't some cautionary tale far away from me. He's me, a few years and a few mistakes ago

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