“They’d fund it. On one condition.”

WOMEN WHO BUILT IT

SUGAR Cosmetics

Vineeta Singh
Co-founder & CEO
Founded 2015

THE ZERO	THE BET	THE PEAK	THE RESET
2 ventures that didn’t work first	**Makeup made for Indian skin**	**₹505 cr revenue** FY24	**₹144.5 cr raised at ~80% lower value**

ABOUT THE FOUNDER

Vineeta Singh went to **IIT Madras**, then **IIM Ahmedabad**. At twenty-three she turned down a job paying about **a crore a year**. Her first venture didn’t work. Her second, a monthly beauty box called **FAB BAG** (2012), didn’t really work either.

The third time she built what she needed herself: makeup for Indian skin and Indian heat, because what sat on the shelf **slid off by two in the afternoon**. That became SUGAR, co-founded with Kaushik Mukherjee. Since 2021 she has also sat on the panel of **Shark Tank India**.

THE CONDITION Years in, an investor agreed to fund her on one condition: her husband would run it. She has called it discrimination, on the record.

IN THE NEWS NOW 1 Sept 2026

SUGAR raises ₹144.5 crore — at about one-fifth of its peak value.

A91 Partners, an existing investor, led the round at a reported **₹550–600 crore** valuation, against **₹2,600–2,700 crore** in Nov 2024. Asked about the cut, Vineeta said she is *“here to build.”*

THE ROAD, IN SEVEN STOPS

2012	2015	2021	2022	FY24	FY25	Sept 2026
FAB BAG beauty box	Pivot to SUGAR	Shark Tank India	Peak value ~₹3,000 cr*	Revenue ₹505 cr	Revenue ₹404 cr loss ₹135 cr	₹144.5 cr round at ₹550-600 cr

IN HER WORDS

> **“We don’t invest in solo women founders, so until Kaushik quits McKinsey and joins full time, we can’t give you a cheque.”**
> What investors told her, in her telling · Business Today, 2022

> **“Yes we did raise a large round, yes it is at a worse valuation… I am here to build.”**
> On the 2026 round

> **“Picture abhi baaki hai.”**
> On what comes next

01
Build for the customer nobody designed for.
The shelf was made for somewhere else. She built for the woman it ignored.

02
Two failures are tuition, not a verdict.
The third business worked because she built the thing she herself needed.

03
Growth you buy isn’t growth you own.
The story doesn’t end at the peak. Page 5 shows why.

* Peak valuation as widely reported; sources differ (₹2,600–3,000 cr). Revenue and loss figures are operating revenue and net loss as reported in company filings coverage.

Don’t guess the market. Cut the country down until only the buyer is left.

QUESTION 1 · FROM THE SCRIPT

How many lipsticks does India buy in a year?

- 140 cr · every Indian — start
- 70 cr · women — half
- 40 cr · aged 15–55 — ~57% aged
- 12 cr · can spend — × 30%
- 6 cr buyers — × 50%

6 CR × 2 A YEAR =
12 crore lipsticks

12 CR LIPSTICKS × ₹300 **= ₹3,600 crore / year**

WATCH THE TWO 12S

Step 4 is **12 crore women**. The answer is **12 crore lipsticks**. Same digits, different things — a coincidence of the assumptions.

30-SECOND SANITY CHECK

TRY Own just **5%** of lipsticks:
12 cr × 5% = **60 lakh** lipsticks
60 lakh × ₹300 = **₹180 cr**

TEST Guess **20%**, not 30%, at step 4: buyers 4 cr, lipsticks 8 cr. The answer **falls by a third**. Always stress-test the cut that moves the answer most.

CONCEPT **Fermi estimation**

PLAIN WORDS	MBA TERM	SUGAR
Break one huge unknown into small guesses you can defend.	Top-down sizing: TAM → SAM → SOM	All women → regular buyers → the slice SUGAR can win.

CONCEPT **Segmentation · the mithai-shop rule**

PLAIN WORDS	MBA TERM	SUGAR
Be the only sensible choice for one group.	STP: Segment, Target, Position	Shades and heat-proof formulas for Indian skin. People cross town for one famous sweet.

QUESTION 2 · THE CTA

You’re running SUGAR. ₹500 cr — more cities, or more products?

WHAT ₹100 BUYS	NEW CITY	EXISTING CUSTOMERS
Cost to win 1 customer	₹400	₹50
Customers ₹100 buys	0.25	2
Gross profit, first orders	₹37.50	**₹300**
Orders to earn CAC back	~3	**0.3**

Illustrative teaching numbers, not SUGAR’s data: order ₹300, 50% gross margin = ₹150 an order.

THE CALL

Go deeper first. Expand with a gate: a new city only if it pays back in under 12 months.

Working split: ~70% depth, ~30% new cities. **Change my mind:** when winning another existing-city customer costs about as much as a new-city one, cities win.

Your comment template: **my call → the framework → an example I’ve seen → what worries me.**

There are only four ways to grow. Most companies pick the most expensive one first.

FRAMEWORK 1 The Ansoff Matrix

PLAIN WORDS	MBA TERM	SUGAR
Growth has two levers: **who** you sell to and **what** you sell. Mix them and you get four boxes.	Ansoff Matrix (1957): penetration, development, diversification.	Your ₹500 cr question is a choice between two of the boxes below.

	EXISTING PRODUCTS	NEW PRODUCTS
EXISTING CUSTOMERS	BOX 1 · LOW RISK **Market Penetration** Sell more of the same to the people you already reach. **SUGAR:** more lipsticks per buyer, repeat and loyalty programmes, deeper in each city.	BOX 2 · MEDIUM **Product Development** New products for customers you already have. **SUGAR:** skincare, eyes, nails, gift sets, a face-base range.
NEW CUSTOMERS / CITIES	BOX 3 · MED-HIGH **Market Development** Same products, new places. **SUGAR:** more cities, more channels, more countries.	BOX 4 · HIGHEST **Diversification** New products for new people. **SUGAR:** a wellness or fashion label. Two unknowns at once.

Shaded boxes = “more products, where you already are.” Box 3 = “more cities.” The safest money sits nearer the top-left.

FRAMEWORK 2 Unit economics: LTV vs CAC — the leaky bucket

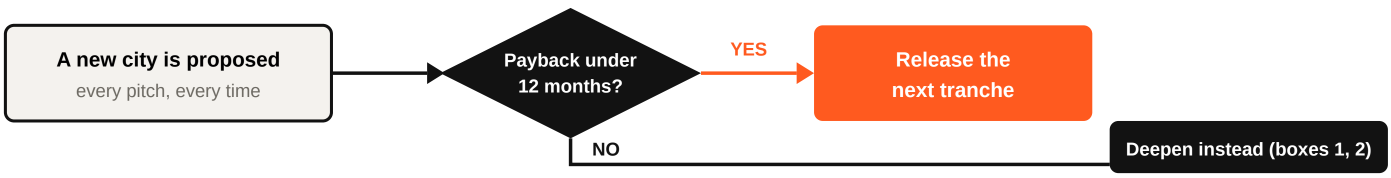
PLAIN WORDS	MBA TERM	SUGAR
Before pouring money in, ask: does one customer earn back what it cost to win them?	LTV:CAC ratio and payback period. Healthy: LTV ≥ 3× CAC.	A lipstick is replaced slowly, so a costly new-city customer takes a long time to pay back.

The maths: ₹300 order × 50% margin = ₹150. Cost to win a new-city customer: ₹400. ₹400 ÷ ₹150 = 2.7, so **3 orders**. At 2 lipsticks a year that is about **18 months**.

Orders 1 and 2 are a loan. Order 3 is the repayment.

Illustrative numbers for teaching. Real CAC and margin vary by city, channel and season.

APPLY IT The gate: how the ₹500 cr actually gets spent



“Made for Indian skin” won the first customers. It couldn’t guard them.

FRAMEWORK 3 Porter’s Five Forces

PLAIN WORDS	MBA TERM	SUGAR
Five pressures decide how much profit an industry lets you keep.	Porter’s Five Forces. Scored 1 (weak) to 5 (strong).	Colour cosmetics in India: easy to enter, easy to switch. Our own scoring.

Rivalry 5	Global majors, older Indian names and marketplace private labels fight for one shelf.
Entrants 4	Contract manufacturing lets a new brand launch fast. The “Indian skin” idea was copied within years.
Buyers 4	Switching a shade costs nothing, and marketplaces control the discounts.
Suppliers 2	Many factories compete. Good for cost, but it means no proprietary formula moat.

Verdict: when it’s easy to enter and easy to leave, positioning is a head start, not a moat.

FRAMEWORK 4 Jobs-to-be-Done

PLAIN WORDS

Nobody buys a lipstick. They hire it to do a job.

MBA TERM

Jobs-to-be-Done (Christensen)

THE SUGAR JOB

“When it’s 40°C at 2 pm and my day is eight hours long, help me look put-together without touch-ups, in a shade that actually matches my skin.”

Shade ranges can be copied. An obsessive fix for the *job* (formula, heat testing, shade depth) is harder to copy.

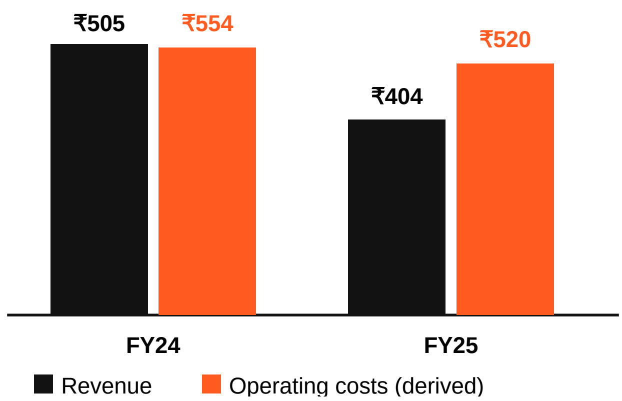
FRAMEWORK 5 Operating leverage

PLAIN WORDS

Shops, leases and salaries don’t shrink when sales do.

MBA TERM

Fixed costs and operating leverage



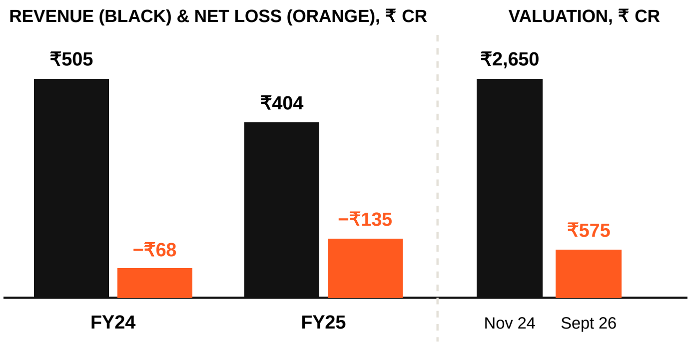
Revenue fell **₹100.7 cr (−20%)**. Operating costs fell only **₹33.2 cr (−6%)**. EBITDA loss went from ₹48.5 cr to ₹116 cr. **That gap is the loss.**

Fixed costs are a promise you made when sales were high.

Costs = operating revenue minus EBITDA, derived from reported FY24 and FY25 figures. Five Forces scores are our own assessment.

The question in the script is the question the company had to answer for real.

WHERE SUGAR STANDS TODAY



Valuation shows mid-points of the reported ranges (₹2,600–2,700 cr and ₹550–600 cr).

THE PROBLEM THEY FACE RIGHT NOW

1. **Cash and confidence.** A ~80% valuation cut resets what investors, staff and partners believe.
2. **A heavy offline footprint.** Reports say growth came through 550+ cities and many stores; some underperformers have reportedly closed.
3. **A thin moat.** “Indian skin” was copied; leaner brands arrived.
4. **The road to profit.** A stock-market listing is widely discussed but not confirmed.

FIVE TAKEAWAYS

1. Be the only real choice for one group.
2. Size a market with cuts you can defend, then stress-test the biggest one.
3. Check unit economics before you chase geography.
4. Growth without payback is a loan, not a win.
5. A brand is a head start. A moat is built separately.

THE MISTAKE MUSEUM

- ✕ **Footprint before proof.** Reported analysis points to scaling stores before unit economics were shown to work.
- ✕ **Positioning mistaken for a moat.** “Made for Indian skin” was copied.
- ✕ **Costs sized for the peak.** Revenue fell 20%; costs fell 6%.

Full loop. In the script you chose between more cities and more products. The company reportedly leaned into breadth, and the market punished the cost. That doesn’t prove the other answer was right. It proves the question was worth asking *before* the money moved.

WHAT TO WATCH NEXT

SIGNAL 1

Does revenue stop falling?

FY24 was ₹505 cr and FY25 ₹404 cr. The next filing shows whether the slide has stopped.

SIGNAL 2

Does the loss narrow?

EBITDA loss was ₹116 cr in FY25. Costs must fall faster than the 6% they fell last year.

SIGNAL 3

Where does the ₹144.5 cr go?

The use of funds hasn’t been disclosed. Depth or new cities? It is the page-2 question, for real.

Sources: company-filings coverage of FY24/FY25 results and the Sept 2026 A91 round; Business Today (2022); Free Press Journal / IBTimes (2026). Assumptions are labelled. Not investment advice.

Every term, formula and full form in this case study. One page to keep.

FULL FORMS & MEANINGS

TAM	**Total Addressable Market.** Everyone who could buy. All women in India.
SAM	**Serviceable Available Market.** The part you can actually reach and serve.
SOM	**Serviceable Obtainable Market.** The slice you can realistically win.
STP	**Segmentation, Targeting, Positioning.** Split the market, pick a group, own a place in their mind.
CAC	**Customer Acquisition Cost.** What you spend to win one customer.
LTV	**Lifetime Value.** Total gross profit one customer brings over their life with you.
JTBD	**Jobs-to-be-Done.** People "hire" a product to do a job.
EBITDA	**Earnings Before Interest, Tax, Depreciation and Amortisation.** Operating profit before financing and accounting charges.
D2C	**Direct-to-Consumer.** A brand selling straight to buyers, online first.
IPO	**Initial Public Offering.** First sale of shares on the stock market.
FY24	**Financial Year 2023–24.** April 2023 to March 2024 in India.
Gross margin	The share of each sale left after the direct cost of the product.
Valuation	What investors say the whole company is worth.
Fermi estimate	A rough answer built from small, defensible guesses. Named after physicist Enrico Fermi.

INDIAN NUMBER UNITS

1 lakh = 1,00,000 · 1 crore = 100 lakh = 1,00,00,000
So 12 crore lipsticks = 120 million. 60 lakh = 6 million.

₹1 crore = 100 lakh · ₹100 crore = ₹1 billion
Handy for reading global comparisons.

FORMULAS USED

MARKET SIZE (FERMI)
Population × cut 1 × cut 2 × cut 3 = buyers
140 cr × 50% × 57% × 30% × 50% ≈ 6 cr buyers

UNITS AND VALUE
Buyers × units a year = units; units × price = market value
6 cr × 2 = 12 cr lipsticks; × ₹300 = ₹3,600 cr

GROSS PROFIT PER ORDER
Order value × gross margin
₹300 × 50% = ₹150

CUSTOMERS "BOUGHT"
Spend ÷ CAC
₹100 ÷ ₹400 = 0.25 | ₹100 ÷ ₹50 = 2

PAYBACK
Orders to break even = CAC ÷ gross profit per order
₹400 ÷ ₹150 = 2.7, so 3 orders. Time = orders ÷ orders per year (3 ÷ 2 = 1.5 years)

LTV : CAC
LTV ÷ CAC ≥ 3 is the usual healthy mark
Rule of thumb, not a law. Payback under 12 months is the gate used here.

OPERATING COSTS
Operating revenue − EBITDA
FY25: ₹404.4 cr − (−₹116 cr) = ₹520.4 cr

PERCENTAGE CHANGE
(New − old) ÷ old × 100
(404.4 − 505.1) ÷ 505.1 = −20%

THE FRAMEWORKS, IN ONE LINE EACH

Fermi estimate	**How big is it?** Small cuts, then stress-test the biggest.
Segmentation	**Who is it for?** Be the only real choice for one group.
Ansoff Matrix	**Where do we grow?** Penetration, product development, market development, diversification.
LTV vs CAC	**Does a customer pay back?** Win cost against lifetime profit.
Five Forces	**How much profit can we keep?** Rivalry, entrants, buyers, substitutes, suppliers.
JTBD	**Why do they buy?** The job, not the product.
Op. leverage	**What if sales fall?** Fixed costs stay, so losses outgrow the fall.

THE TWO QUESTIONS, ANSWERED

Q1: 12 crore lipsticks a year, worth about ₹3,600 crore. Q2: Go deeper first, and open a new city only if payback is under 12 months.