

Vedanta's Rs 2,500 crore ESOP windfall turns factory floors into shareholder ranks

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[Vedanta Ltd](#) has quietly built one of India's broadest employee-wealth engines, delivering a cumulative Rs 2,500 crore financial impact to staff over the past five years through deeply discounted stock options, an approach that is now reshaping compensation norms in Indian manufacturing.

The metals-to-oil conglomerate said its latest grant, [ESOP 2025](#), is valued at more than Rs 500 crore alone and brings nearly 1,200 employees, many of them fresh graduates, into its shareholder base for the first time. Shares under the programme are allotted at Re 1, among the lowest exercise prices in the country, magnifying gains as Vedanta's stock trades near record highs.

From paycheques to equity stakes

Unlike the narrower, top-heavy equity plans common across Indian industry, Vedanta's ESOPs now cover nearly 40% of its workforce across plants, functions and career levels, the company said. Freshers and early-career professionals can receive allocations worth up to 30% of fixed pay over a standard three-year vesting cycle, a rarity among large conglomerates.

The most recent vesting cycle, ESOP 2022, delivered more than 80% share value appreciation, generating over Rs 300 crore in employee wealth. The company said this linkage between operational performance and employee rewards has become a core feature of its compensation philosophy after more

than two decades of continuous ESOP administration.

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By placing equity in the hands of engineers, plant teams and middle management, groups traditionally excluded from such rewards, Vedanta is betting that shared ownership will translate into stronger alignment as it navigates volatile commodity markets and an energy transition.

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