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Money must be made in a way that makes it one's slave, not master: Ex-SEBI chief M Damodaran

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Those who create wealth for themselves and for others must do so in a way that the less-privileged and less-informed are not taken advantage of, former Securities and Exchange Board of India (SEBI) Chairman M Damodaran said at the inaugural edition of the Moneycontrol Wealth Creator Awards.

down the road from where the event was taking place (Taj Land's End, Bandra, so you can guess), Damodaran said money must be made in a way that makes it one's slave and not their master.

The former SEBI chief pointed out that there aren't many companies that generate wealth by keeping every last stakeholder's interests at heart. He blamed three parties for this — regulators, the media and people in the financial world.

Damodaran said regulators complicate things by adding to the already humongous pile of laws that govern matters pertaining to companies and their finances. The media, he said, makes heroes of those who make money in distasteful, or even illegal ways.

“And then you have people in the financial sector, regrettably, who believe that demonstrating short-term gains to a gullible public is a way to establish your credibility as a great wealth creator, not realising that sooner rather than later, you will be found out and that others who follow a steadier path generate returns that are sensible, and not out of sync with what the rest of the world is delivering,” he said.

Recalling the Satyam Computer scandal of 2009, Damodaran said when people take liberties with the law to create wealth and the truth about it is outed, it damages trust between parties and in the minds of the public.

continue to create wealth. You will get awards for creating wealth. But do it in a manner in which you will create wealth today, tomorrow and the day after. Not yesterday and today, wondering what tomorrow will bring if some shortcuts that you take get exposed,” the former regulator concluded.