

**Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act,  
2002 (SARFAESI Act, 2002)**

**CHAPTER-III**

**Enforcement of Security Interest**

**Section 16: No compensation to directors for loss of office**

16. (1) Notwithstanding anything to the contrary contained in any contract or in any other law for the time being in force, no managing director or any other director or a manager or any person in charge of management of the business of the borrower shall be entitled to any compensation for the loss of office or for the premature termination under this Act of any contract of management entered into by him with the borrower.

(2) Nothing contained in sub-section (1) shall affect the right of any such managing director or any other director or manager or any such person in charge of management to recover from the business of the borrower, moneys recoverable otherwise than by way of such compensation.

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**Amendments:**