

## Power to re-issue redeemed debentures

424. (1) Where a company has redeemed any debentures then—

(a) unless any provision to the contrary, whether express or implied, is contained in the constitution or in any contract entered into by the company, or

(b) unless the company has, by passing a resolution to that effect or by some other act, shown its intention that the debentures shall be cancelled,

the company shall have power to re-issue the debentures either by re-issuing the same debentures or by issuing other debentures in their place.

(2) Subject to section 425, on a re-issue of redeemed debentures, the person entitled to the debentures shall have the same priorities as if the debentures had never been redeemed.

(3) Where a company has deposited any of its debentures to secure advances from time to time on current account or otherwise, the debentures shall not be deemed to have been redeemed by reason only of the account of the company having ceased to be in debit whilst the debentures have remained so deposited.