

5. Paragraph (1) is new.

6. The purpose of this section is to enable the Company to redeem preference shares issued as redeemable shares. It is framed on section forty-six of the English Companies Act, 1929, but in addition to permitting redemption of preferred shares out of profits also permits capital to be repaid on redemption provided that, in the latter case, proceedings for redemption of capital are carried out and for that purpose the reduction of capital provisions contained in Part I of the *Companies Act* are made to apply.