

# CS Foundation Course

*(e-bulletin for Foundation Programme Students)*



THE INSTITUTE OF  
Company Secretaries of India  
भारतीय कम्पनी सचिव संस्थान  
IN PURSUIT OF PROFESSIONAL EXCELLENCE  
Statutory body under an Act of Parliament  
(Under the jurisdiction of Ministry of Corporate Affairs)

FEBRUARY 2021

## Message from the President

महो अर्णः सरस्वती प्र चेतयति केतुना ।  
धियो विश्वा वि राजति ॥

*(Oh Devi Saraswati, you have been imparting knowledge  
to us from your vast ocean.*

*Please adorn this universe with your immense intellect.)*

**Dear Students,**

*Greetings from the ICSI !!!*

The month of February while on one hand marks the change of season, the celebration of wisdom by seeking blessings of Maa Sharde on Vasant Panchami, it is one of the months which decides the fate of the students of the Institute who have attempted the December session of Examinations. As I fully understand your eagerness to be able to lay your hands on the results, I am confident that your sheer determination and dedication will definitely lead you to success.

This being my first address with you, while I feel extremely privileged to share my thoughts with you through the pages of this Newsletter, I would like to share my mantra with you not just for acing any examinations but for life. To me, any academic journey goes beyond the boundation of examinations and marks, for acquiring education is an eternal process. Frankly, it can be said without an iota of doubt that there is no alternative to education; the more we learn, the more we grow and attain excellence in our academic and professional endeavours. The power of knowledge is such that it assists in triggering positive changes in the organization,

motivating embracing of new approaches, ensuring holistic development of the organization.

Being students of ICSI, by now you would have grasped a basic understanding of the expansive roles played by a Company Secretary and their dynamic natures entailing. Needless to say, as a Governance Professional, one must be thoroughly conversant with various crucial facets of the legal, economic, technological and business environment. The Institute itself places great focus upon pursuing knowledge upgradation initiatives not just for our students but capacity building initiatives for our members as well even after they have become full-fledged Company Secretaries and embarked on their journey of serving the India Inc.

Understanding the placing and pedestal of Company Secretaries on the global forum in the world of corporate governance, it is imperative that future legion of Governance Professionals possesses robust knowledge. For as Nelson Mandela says and I quote,

“Education is the most powerful weapon which you can use to change  
the world.”

*Looking forward to your continued participation and support in all future endeavours!!!*

With warm regards,

**(CS Nagendra D. Rao)**

*President*

The Institute of Company Secretaries of India

# Academic Guidance

## LAW OF VARIABLE PROPORTIONS - CONCEPT AND ITS SIGNIFICANCE

### Introduction

The Law of Variable Proportions or Returns to a factor plays a crucial role in studying the theory of production. This law explains the short-run production function in which one factor varies while the other factors are fixed. In other words, this law displays the relationship between all the units of a variable factor and the quantum of output in the short-run.

Also referred to as the Law of Proportionality, the Law of Variable Proportion in economics is related with how the output of a system changes with an increase in the number of units of production which are variable, thus expressing the characteristics of a changing factor-ratio proportion of the concerned output.

### Assumptions of the Law of Variable Proportions

1. **Constant State of Technology:** First, the state of technology is assumed to be given and unchanged. If there is improvement in the technology, then the marginal product may rise instead of diminishing.
2. **Fixed Amount of Other Factors:** Secondly, there must be some inputs whose quantity is kept fixed. It is only in this way that we can alter the factor proportions and know its effects on output. The law does not apply if all factors are proportionately varied.
3. **Possibility of Varying the Factor proportions:** Thirdly, the law is based upon the possibility of varying the proportions in which the various factors can be combined to produce a product. The law does not apply if the factors must be used in fixed proportions to yield a product.
4. **Short-run-** The law is applicable in the short-run when it is not possible to change all factor inputs.

### Three Stages of the Law of Variable Proportions

- a) **First Stage-** The first stage is of increasing returns to a factor, i.e., every additional variable factor adds more and more to the total production. It implies that total product (TP) enhances at an increasing rate and marginal product (MP) of each variable factor moves up. Better usage of fixed factors and increases in the efficiency of a variable factor on account of specialisation are the main factors contributing to increasing returns.
- b) **Second Stage-** The second stage displays diminishing returns to a factor, i.e., every additional variable factor adds a lesser and lesser amount of output. It implies that total product (TP) increasing at a diminishing rate and marginal product (MP) falls with an increase in a variable factor. It happens due to severance of the best combination of a fixed and variable factor.

\* Dr. Akinchan Buddhodev Sinha, Deputy Director, The ICSI.

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- c) **Third Stage-** This stage marks negative returns to a factor, i.e., the employment of additional variable factors causes total product (TP) to decline. Marginal product (MP) enters into negative territory. Thus, this stage is known as negative returns to a factor. Abysmal coordination between variable and fixed factor is the basic cause for the occurrence of this stage.

### Example explaining the operation of Law of Variable Proportions

The law of variable proportion is illustrated in the following table and figure. Suppose there is a given amount of land in which more and more labour (variable factor) is used to produce sugarcane.

Units of Labour	Total Product	Marginal Product	Average Product
1	2	2	2
2	6	4	3
3	12	6	4
4	16	4	4
5	18	2	3.6
6	18	0	3
7	14	-4	2
8	8	-6	1

It can be seen from the table that upto the use of 3 units of labour, total product increases at an increasing rate and beyond the third unit total product increases at a diminishing rate. This fact is shown by the marginal product which the addition is made to Total Product as a result of increasing the variable factor i.e. labour.

It can be seen from the table that the marginal product of labour initially rises and beyond the use of three units of labour, it starts diminishing. The use of six units of labour does not add anything to the total production of wheat. Hence, the marginal product of labour has fallen to zero. Beyond the use of six units of labour, total product diminishes and therefore marginal product of labour becomes negative. Regarding the average product of labour, it rises up to the use of third unit of labour and beyond that it is falling throughout.

### Significance of the Law of Variable Proportions

The law of variable proportions occupies a prominent place in modern economic theory. It influences every aspect of economic life. This law (especially its phase of diminishing returns) has universal application in the field of production, in any form.

A number of economic principles find their expression in the law of diminishing returns. Principle of Substitution, Marginal Utility Theory of Value, Marginal Productivity Theory of Distribution, Ricardian Theory of Rent and Malthusian Theory of Population are some of the examples.

Law of variable proportions has vast general applicability. This law applies as much to industries as to agriculture. However, in agriculture, where nature plays the major role, diminishing returns set in at an early stage than the industries, where man's role is more important.

Experiences of the under developed countries of the globe justify the operation of this law in agriculture. Phenomenon of disguised unemployment revealing zero or near zero or negative marginal productivity of labour is one such example.

### **Conclusion**

Thus, law of variable proportions is an important economic law that throw light on the fact that production can be substantially enhanced, especially in agriculture by embracing advanced technology, scientific rotation of crops, improved seeds, fertilizers, modern implements, superior irrigation facilities etc. This may assist immensely in addressing the ongoing issue of food crisis across the world, particularly in the developing and underdeveloped countries.

It is to be noted that whenever there is advancement in technology the total product curve move upwards, thereby enhancing the gross domestic product as well as national income of an economy, which in turn exert a positive impact on the per capita income of the nation.

By developing a robust understanding on the various stages involved in the law of variable proportions, the productivity of various sectors of an economy may also be improved. As mentioned that the operation of the three stages of the law of variable proportions is largely determined by the magnitude of coordination between fixed and variable factors of production, so it also guides the entrepreneurs or owners of the business organisations to embrace optimum methods of production in the short-run in order to make the business profitable as well as sustainable.

### **References**

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# Training

## ORGANIZED WEBINAR FOR LAUNCHING “NEW TRAINING STRUCTURE” ON 03<sup>RD</sup> FEBRUARY 2021

The Institute organized a webinar on “Implementation of New Training Structure 2020” on 03<sup>rd</sup> February 2021 which was attended by thousands of CS students and members.



The new training structure for students, comprises of the following training which shall provide them a platform to develop their core competencies and harness their soft skills including managerial and leadership capabilities.

Under New Training structure, the Executive passed students are required to undergo:

- A) One month Executive Development Programme (EDP)
- B) Students are required to undergo 21 months practical training, with Industry/Practicing Company Secretary and other entities after completion of their one month EDP.
- C) Corporate Leadership Development Programme (CLDP) after completion of their Professional programme examination and long term practical training as per the guidelines of the Institute.

## ICSI Academic Collaborations with Universities and Academic Institutions

ICSI “Academic Collaborations with Universities and Academic Institutions” initiative of the Institute is aimed to establish a connect between ICSI and various Universities and institutions of national repute, through a memorandum of understanding (MoU) covering a number of schemes under one umbrella towards learning and development of students, academicians and professionals.

MoUs were signed with the following universities and academic Institutions under the Academic Collaborations with Universities and Academic Institutions initiative of ICSI.

MoU signed with various Universities in the Month of Jan, 2021 is as under:

Sl. No	Name of University	Date of MOU
1	Xavier University, Bhubaneswar, Plot No:12(A) Nijigada Kurki, Harirajpur, Dist-Puri, Odisha	07th January, 2021
2	Uttaranchal University, Arcadia Grant, Chandanwari, Prem Nagar, Dehradun, Uttarakhand	07th January, 2021
3	Moulana Azad National Urdu University , Urdu University Road, Near LNT Towers, Telecom Nagar, Gachibowli, Hyderabad,Telangana	12th January, 2021
4	Tilak Maharashtra Vidyapeth , Mukund Nagar, Gultekdi , Pune	16th January, 2021

### Introduction of 15 Days Executive Development Programme (e-Mode)” (New Training Structure) under the Company Secretaries (Amendment) Regulations, 2020.

In accordance with regulation 46BB of the Company Secretaries (Amendment) Regulations 2020, students are required to complete one month Executive Development Programme (EDP) prior to commencing 21 months Practical training. Out of one month, students may undergo 15 Days EDP through online mode (e-mode) and 15 Days EDP through classroom mode.

The Institute has introduced “**EDP (15 Days) e-Mode**” through its E-Learning Portal and the students may enroll for the same through ICSI Stimulate Portal i.e. <https://stimulate.icsi.edu/>. Eligible students can undergo “EDP (15 Days) e-Mode” on anytime, anywhere basis within 90 days of their registration. In addition to the 15 Days EDP in e-Mode, students are required to complete remaining 15 days EDP through classroom mode as per the guidelines of the Institute.

Launch of  
**New Training Structure  
 under CS (Amendment)  
 Regulations, 2020**

Wednesday, 03rd February, 2021

Training Structure



**One month EDP**  
 (15 days Class room  
 mode & 15 days e-EDP)  
 after passing Executive  
 Programme Examination



**21 months  
 practical training**  
 with industries,  
 PCS & other entities



**30-60 days**  
 Corporate Leadership Development  
 Programme (CLDP) after Professional  
 programme examination & long term  
 practical training.



For more information please visit [www.icsi.edu](http://www.icsi.edu)





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**ICSI/TRG/2021**

**01/02/2021**

**“Introduction of 15 Days Executive Development Programme (e-Mode)” (New Training Structure) under The Company Secretaries (Amendment) Regulations, 2020.**

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**Eligibility:** All Students who have passed Executive Programme and wish to start training under New Training structure as per the Company Secretaries CS (Amendment) Regulations, 2020.

**Date of Opening of Registration :** 03<sup>rd</sup> February, 2021 (11:00 am onwards)

**Programme Fees :** Rs. 2000/- (Rupees Two Thousand Only)

**Modalities:**

1. “EDP (15 Days) e-Mode” is on anytime, anywhere basis.
2. For registration, a student need to click on <https://stimulate.icsi.edu/> ; Use their Smash Login id and Password for logging into the Stimulate Portal. Select Short Term Training – Apply for Training and then click on the grid showing particulars of training.
3. Students can access “EDP (15 Days) e-Mode” content via e-learning portal of the Institute. The User Id and Password for the same will be sent to registered e-mail id within 7 working days from the date of registration.

4. Students already registered at the e-learning portal may access EDP (15 Days) e-Mode Course Content through the following link:  
[https://elearning.icsi.in/LX/home/home\\_page?c\\_id=edp-15-days-e-mode-660-1677](https://elearning.icsi.in/LX/home/home_page?c_id=edp-15-days-e-mode-660-1677)
5. Students are required to whitelist the mail ID [LearningExchange@tcs-  
itontap.com](mailto:LearningExchange@tcs-<br/>itontap.com) in their registered email id, so that they may get system generated email in their inbox.
6. A student is required to complete all the sessions of EDP (15 Days) e-Mode within 90 days from the date of activating their account in the e-learning portal for the said training.
7. Fees for the 15 Days EDP through e-Mode is Rs.2000/- (Rupees Two Thousand Only). If any student is not able to complete the training within the time frame, then the access to the e-learning portal will be deactivated after 90 days and he/she will need to do the remaining part of the training after paying 50% of the fees. In case any student is not able to complete the training during the extended period, no further extension will be allowed and he/she will have to seek fresh registration to the 15 Days EDP through e-mode.
8. Students will be required to undergo the sessions in a sequential manner as available on the E-Learning Portal.
9. Until a session is completed, no student will be allowed to start the next session.
10. Students may undergo sessions at any time, any day with full flexibility of selecting the time.
11. Students are advised NOT to click on the “Mark as Complete” button unless the course completion status is 100%.
12. Once the course completion status becomes 100%, students have to click on “Mark as Complete” button to generate the certificate.
13. e-learning portal User Manual/FAQ: For better utilization portal, students may refer the user Manual/FAQ available at the following link :  
[https://www.icsi.edu/media/webmodules/15day EDP E-  
Mode FAQandStepWise GuidanceforStudents.pdf](https://www.icsi.edu/media/webmodules/15day EDP E-<br/>Mode FAQandStepWise GuidanceforStudents.pdf)
14. In case of any query/clarification, students may write to the Institute at [e-training@icsi.edu](mailto:e-training@icsi.edu)

**Directorate of Training  
The ICSI**



# THE INSTITUTE OF Company Secretaries of India

## भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE  
Statutory body under an Act of Parliament  
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ICSI/TRG10/2020

1<sup>st</sup> February, 2021

### Announcement

**Introduction of New Training structure from 3<sup>rd</sup> February, 2021 based on the Company Secretaries (Amendment) Regulations, 2020 issued vide Gazette Notification No. 710/1(M)/1 dated 3<sup>rd</sup> February, 2020**

The Institute vide Notification no. ICSI/Trg/2020 dated 3<sup>rd</sup> August, 2020 granted temporary relaxation to the students on the applicability of Regulation 46BA and 46BB of The Company Secretaries (Amendment) Regulations, 2020 for a period of six months i.e., upto 2<sup>nd</sup> February, 2021.

**Accordingly, with effect from 3<sup>rd</sup> February, 2021, the new training structure, as per Regulation 46BA and 46BB under The Company Secretaries (Amendment) Regulations, 2020 shall be applicable.**

Students shall be required to complete the following training requirements, as per the new training structure:

- a) **Executive Development Programme (EDP)** of one month duration after passing of Executive Programme examination;
- b) **Practical Training** for Twenty One months after completion of Executive Development Programme on whole time basis during normal working hours,-
  - i. in a company having a Company Secretary in whole time employment or any other company fulfilling such criteria as may be determined by the Institute; or
  - ii. under a Company Secretary in whole-time practice fulfilling such criteria as may be determined by the Institute; or
  - iii. in any other body corporate or institution or organisation or entity fulfilling such criteria as may be determined by the Institute;
- c) After passing the Professional Programme Examination, a **Corporate Leadership Development Programme (CLDP)** for not less than thirty days but not exceeding sixty days as may be determined by the Institute.

(CS Asish Mohan)  
Secretary

#### Vision

"To be a global leader in promoting good corporate governance"

#### Motto

सत्यं वद। धर्मं चर। इष्टकारं कुरु। तृप्तये। अस्मिन्नेषु कुरु। इष्टम्

#### Mission

"To develop high calibre professionals facilitating good corporate governance"

Connect with ICSI

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## **Editorial Team**

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*CS Lakshmi Arun, Joint Director*

*CA Govind Agarwal, Assistant Director*

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For views/suggestions/feedback please write to : [academics@icsi.edu](mailto:academics@icsi.edu)