



CORPORATE SOCIAL RESPONSIBILITY AND SOCIAL ACCOUNTING

Dr. Kamal C. Agrawal

Department of Commerce, Shri R.A. Arts, M.K. Commerce and S.R. Rathi Science College, Washim.

ABSTRACT:

Social obligation idea is the one of the significant idea of the board. It is the obligation of big business to do some social exercises for finishing their social duty. Corporate social duty (CSR) alludes to a business practice that includes taking part in activities that advantage society. CSR is winding up progressively standard as ground breaking organizations insert supportability into the center of their business activities to make shared an incentive for business and society. Social Responsibility Accounting is worry with how business activity influences workers, clients, the network and the indigenous habitat. Social Accounting/Social obligation bookkeeping means to quantify and advise the overall population about the social welfare exercises embraced by an association and its effect on the general public. Social Accounting is characterized as a procedure of estimation and revealing of data concerning the effect of an element and its exercises on society. In India social bookkeeping isn't so well known however some Indian organizations are presently concentrating on social obligation and furthermore

began to make social report for ascertaining to add up to cost and advantages for performing social duty. This paper centers around the fundamental ideas of Corporate Social Responsibility and its bookkeeping with the Indian imminent.

KEY WORDS: Social Accounting, Corporate Social Responsibility, TCS, Management.

INTRODUCTION

Corporate social duty is about how organizations deal with the business procedures to create a general positive effect on society. Numerous organizations presently practice some type of social obligation, some are making it a center of their tasks. The term CSR envelops an assortment of issues spinning around organizations' cooperations with society. The sorts of issues secured incorporate morals, administration, social exercises, for example, altruism and network contribution, item wellbeing, equivalent chances, human rights and ecological exercises. CSR is characterized as an organization's certain effect on, and improvement of negative effects against, society and nature, through its tasks, items or administrations and through its collaboration with key partners, for example, representatives, clients, financial specialists, networks and providers. (Adjusted from Business in the Community, 2010)



TYPES OF CORPORATE SOCIAL RESPONSIBILITY

CSR can envelop a wide assortment of strategies, from giving non-benefit associations a part of an organization's returns, to giving ceaselessly an item or administration to a commendable beneficiary for each deal made. Here are a couple of the general classifications of

social duty that organizations are rehearsing:

1. Environment: One essential focal point of corporate social obligation is nature. Organizations, both enormous and little, have a huge carbon impression. Any means they can take to lessen those impressions are viewed as both useful for the organization and society in general.

2. Philanthropy: Businesses likewise practice social duty by giving to national and nearby foundations. Regardless of whether it includes giving cash or time, organizations have a ton of assets that can profit foundations and neighborhood network programs.

3. Ethical work rehearses: By treating representatives decently and morally, organizations can likewise exhibit their corporate social obligation. This is particularly valid for organizations that work in worldwide areas with work laws that contrast starting with one nation then onto the next.

CORPORATE SOCIAL RESPONSIBILITY IN TCS

The guiding principle of TCS' Corporate Social Responsibility programs is "Impact through Empowerment," where empowerment is a process of strengthening the future today, so that risks are minimized, value created and certainty is experienced. TCS strive to ensure that the communities engaged through their CSR initiatives also experience certainty in their lives.

The core areas for TCS' CSR programs are education, health and environment. The choice of education as a theme flows from TCS being in the knowledge domain. Similarly, attention to the cause of health acknowledges that health is a vital precondition for promoting social good. Concern for the environment is in line with their belief that this global cause demands their attention to ensure a sustainable and productive planet. These themes are established centrally for adoption or adaptation across all geographies.

SOCIAL RESPONSIBILITY ACCOUNTING

Many economists and socialists have contributed in this sector with their works and thoughts. A few well known in this area are:

1. Kohler defined 'social Accounting' as the application of double entry book-keeping to socio-economic analysis.
2. Ralph Estes states Social accounting as the 'measurement reporting, internal or external of information concerning the impact of an entity and its activities on society'.
3. In Sybil Mobley views 'it refers to the ordering, measuring and analyses of the social and economic consequences of governmental and entrepreneurial behaviour'.
4. Social Accounting is defined by Richard Dobbins and David Fanning as "the measurement and reporting of information concerning the impact of an entity and its activities on society".

OBJECTIVES OF SOCIAL ACCOUNTING

Fundamental goals of social book keeping are to help society by giving various offices by big business and to record them.

1. Effective usage of normal assets: - Main target of making social bookkeeping is to decide if organization is appropriately using their characteristic assets or not.

2. Help to representatives: - Company can help workers by giving the office of training to offspring of workers, giving vehicle free of expense and furthermore giving great workplace conditions.

3. Help to society: - Because organizations' production lines spread the contamination in regular society which is destructive for society, so undertaking can help to society by planting the trees, setting up new stops close to processing plant zone and furthermore opening new medical clinics.

4.Help to clients: - In social bookkeeping this is a piece of advantages given by organization to society, if organization gives products to clients at lower rate and with high caliber.

5.Help to financial specialists: - Company can help to speculators by giving straightforward bookkeeping data to financial specialists.

NEED / BENEFITS OF SOCIAL ACCOUNTING

1. It improves the image of the firm.
2. It helps in marketing through greater customer support.
3. It acts as an evidence of social commitment.
4. A firm fulfil its social obligations and informs its members, the govt. and the general public to enable everybody to form a correct opinion.
5. It counters the adverse publicity or criticism by hostile media.

SOCIAL RESPONSIBILITY ACCOUNTING APPROACHES

1.Classical Approach

Introduced by Milton friedman – There is one and only one social responsibility of business to use its resources and engage in activities designed to increase its profits, as long as it stays within the rules of the game .Engage in free and open competition without deception or fraud.

2.Descriptive Approach

Social Activities of a business are presented along with financial statements in a narrative form.

3.Integral Welfare Theoretical Approach

This approach advocates the preparation of a social report comprising social benefits and social costs.

4.Social Indicator (Brummet Approach)

This approach involves different areas of social contribution to be undertaken by the business.

Total Performance = Net Income + Human resource Contribution + Public Contribution + Environmental Contribution + Product/Service Contribution

5.Linowes Operating Statement Approach

This approach advocates preparation of a SEOS (Socio Economic Operating Statement). It includes tabulation of Firm's expenditures for social benefits and estimated social costs of various programs and hence calculating the Social Contribution = Social Benefits – Social Costs.

6.Social Income Statement and Social Balance Sheet

It emphasizes on quantifying the values contributed to the society and detriments caused to the society and presenting them in a fashion similar to the typical financial Balance Sheet and Income Statement.

Norms for CSR accounting issued by ICAI

The Institute of Chartered Accountants of India (ICAI) has issued a direction note which will help India in representing its corporate social obligation (CSR) costs.

To guarantee straightforward money related announcing, this direction note requires the organization to (charge) its benefit and misfortune account (P&L a/c) with the CSR costs brought about by it during the year. Further, such costs are to be appeared as a different detail in the P&L a/c.

The direction note by requiring a charge to the P&L a/c of the CSR consumption appropriately puts to rest a continuous discussion with respect to whether such use could have been balanced as an appointment from stores.

Further, ICAI's direction note has additionally tended to issues of a deficiency by an organization in gathering with the base CSR use criteria and furthermore those occurrences where an organization has spent more than the base prerequisite.

Organizations meeting certain money related criteria, for example, a total assets, turnover or net benefit of in any event Rs 500 crore, Rs 1,000 crore and Rs 5 crore separately need to consent to CSR standards. Such

organizations need to spend in each budgetary year 'at any rate' 2% of the normal net benefits made during the past three money related a long time towards qualified CSR exercises.

There can be situations where an organization spends pretty much than the base 2% criteria. ICAI's direction note expresses that the Companies Act requires the governing body of an organization to determine the explanations behind not meeting with the CSR commitments. In light of this, if there is any setback, no arrangement is required to be made in the benefit and misfortune record of the organization. In any case, the chiefs will be required to state in their report the purposes behind such deficiency.

ICAI's direction note likewise takes a gander at a situation when an organization spends more than the base necessity. The issue in this situation was whether the abundance measure of CSR spent can be conveyed forward to be balanced against sums to be spent on CSR exercises later on.

ICAI's direction note has additionally shown that, at times, the CSR use could bring about making of a substantial resource — state a school building. Constantly, the future financial profit by a 'CSR resource' would not stream to an organization, in this way even the consumption towards production of an advantage ought to be charged to the P&L a/c (and not promoted to be determined sheet), explains the direction note.

On the off chance that an organization, as a feature of its CSR exercises, supplies products fabricated by it or render benefits, these merchandise and ventures will likewise shape some portion of the CSR use and will be properly esteemed and charged to the organization's P&L a/c.

CONCLUSION

Undertaking socially responsible initiatives is truly a win-win situation. Not only will your company appeal to socially conscious consumers and employees, but you'll also make a real difference in the world. Keep in mind that in CSR, transparency and honesty about what you're doing are paramount to earning the public's trust. Social accounting may be defined as identification and recording of business activities regarding social responsibility. Social accounting is very important tool to measure the performance of any company in view of social responsibility. Company has to make social responsibility income statement and balance sheet. But it is not compulsory to make these statements.

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