18.4 The evolution of cess funding, expenditure and total revenue of the MCIA (including BSSD) for the last three financial periods is given below:

Details	Year 2014 (Rs)	Year 2015 (Rs)	Period Jan 2016 to June 2017(Rs)
Total Expenditure	1 223 002 317	1 225 370 352	1 692 950 559
Global Cess	228 957 954	329 300 100	468 322 927
Government Funding	52 000 000	59 000 000	95 000 000
Other Revenue	942 457 331	712 539 418	860 294 257
Total Revenue	1 223 415 285	1 100 839 518	1 692 950 559
Surplus/(Shortfall)	412 968	(124 530 834)	(269 333 375)
Revenue Reserve utilized to meet shortfall	-	(124 530 834)	(269 333 375)

18.5 Constraints

18.5.1 The main cost element in the operation of the ex-SPIs is Staff cost. The implementation of the VRS did not take effect until October 2012 and the MCIA was still operating with the full establishment of all the ex SPIs and this had obviously put significant pressure on the budget of the MCIA.

18.5.2 The MCIA also had to manage the salary increase following the publication of the PRB reports 2013 and 2016. Presently, most of the employees are under the purview of the PRB and therefore the MCIA has to meet the salary increase recommended in the PRB report. In addition, the MCIA will also need to cater for the recommendation of the report on errors and omissions.

18.6 Sugar Production and Cess revenue

18.6.1 The total sugar production for the last three years 2015 to 2017 varies between 369,672 to 357,702 tonnes. One of the main variables to impact negatively on sugar production is the loss of land under cane. The current trend indicates that the loss of land under sugar cane is significant. The production level of 520,000 tonnes of sugar as foreseen in the MAAS is unattainable in the present circumstances and the Mid Term Review had clearly raised this issue and had proposed a more realistic figure of 450,000 tonnes. The sugar industry has not been able to attain the reduced level of 450,000 tonnes during the course of the last three years and the probability that this level will be achieved seems quite remote. Issues concerned with production level will again have to be looked into in a more focused manner.