

1. Why is Actor Dino Morea Being Questioned by ED?

Introduction

Bollywood actor Dino Morea appeared before the Enforcement Directorate (ED) on June 12, 2025, in connection with an alleged multi-crore scam related to the Mithi river desilting project in Mumbai. His residence was also raided earlier.

Background: What is the Mithi River Project?

The Mithi river, a 18.64 km-long seasonal river flowing through Mumbai, is crucial for stormwater drainage during monsoons. Due to dumping of waste and sewage, it had become clogged. After the 2005 Mumbai floods, authorities began efforts to clean and desilt the river.

- Brihanmumbai Municipal Corporation (BMC) was given the task of cleaning 11.84 km of the river.
- The rest was handled by Mumbai Metropolitan Region Development Authority (MMRDA).

What is the Mithi River Scam?

In August 2024, a Special Investigation Team (SIT) under Mumbai Police's Economic Offences Wing (EOW) was set up to investigate alleged corruption.

- The SIT looked into Rs 1,100 crore spent between 2005 and 2021.
- An FIR was filed on May 6, 2025, against 13 people for causing a loss of Rs 65.54 crore to the BMC.
- Those named include BMC officials, contractors, and companies like Matprop, Virgo Specialities, and Vodar India LLP.

How Was the Scam Allegedly Carried Out?

- Bogus contracts and fake documents were used to claim silt had been removed.
- Landowners' names were misused—one even died 20 years ago.
- Machines were hired from select vendors in return for bribes.
- Payments were made without verifying if the silt was actually dumped.

What Did ED Find in Its Probe?

The ED is investigating the scam under money laundering charges, based on the EOW's findings:

- A cartel of contractors and middlemen allegedly manipulated tenders.
- Shell companies were used to hide illegal profits.
- Desilting amounts were artificially inflated without scientific backing.
- Only about 60% of the actual desilting work was done in many years.



Why Was Dino Morea Involved?

- Ketan Kadam, one of the arrested middlemen (Vodar India LLP), has been associated with Morea for 25 years.
- There were 5–7 transactions worth Rs 14–18 lakh between Morea and Kadam.
- Morea's brother and Kadam's wife are directors in the same firm.
- Morea was questioned, along with his brother, to determine the nature of these ties.
- He is not named as an accused but is considered a person of interest.

Political Angle

- Morea is known to be close to Shiv Sena (UBT) leader Aditya Thackeray.
- The party has controlled the BMC for over 20 years.
- The scam could become a major election issue ahead of the upcoming BMC polls.

Relevance: GS Prelims & Mains Paper II; Governance

Source: Indian Express

2. What Are Flue Gas Desulphurisation (FGD) Units?

Meaning

Flue gas is the smoke released when coal is burned in thermal power plants. It contains pollutants like carbon dioxide (CO_2), sulphur dioxide (SO_2), and nitrogen oxides. FGD units are special systems that remove SO_2 from this smoke before it is released into the air.

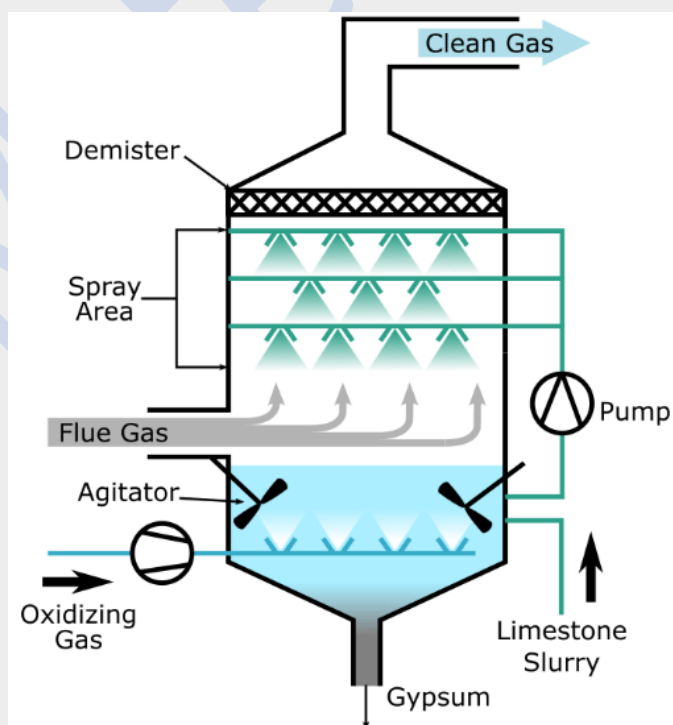
Why is SO_2 Harmful?

- SO_2 is a toxic gas that causes breathing problems and contributes to global warming.
- It leads to the creation of $\text{PM}_{2.5}$ (fine particulate matter), which pollutes the air and affects human health.
- Studies show that 15% of India's $\text{PM}_{2.5}$ pollution is linked to coal burning, and 80% of that comes from SO_2 .

How Do FGD Units Work?

There are three main types of FGD systems:

1. Dry Sorbent Injection: Powdered limestone is added to flue gas to neutralize SO_2 . The byproduct is filtered out.
2. Wet Limestone Treatment: Flue gas passes through a limestone slurry, forming gypsum, which can be reused.



3. Sea Water Scrubbing: Used in coastal areas, where sea water absorbs SO_2 . The treated water is then discharged safely.

What Is the Situation in India?

- In 2015, the government ordered all 537 coal-fired power plants to install FGD units.
- The original deadline (2018) has been delayed multiple times. As of April 2025, only 39 plants have complied.
- Deadlines now extend to 2027–2029, depending on plant category.
- A recent expert panel has suggested scrapping the FGD policy entirely.

Why Are FGDs Being Opposed?

1. High Costs

- Installing an FGD unit costs ₹1.2 crore per megawatt.
- India's coal power capacity is over 2.19 lakh MW, meaning costs could exceed ₹97,000 crore.
- Power tariffs may rise by up to ₹0.72 per unit.

2. Affordability Concerns

- The government is concerned about increased electricity prices for consumers.
- Union Power Minister Manohar Lal Khattar has said a balance must be found between clean air and cost control.

What Do Experts Say?

- Skipping FGDs may save money now but harms public health and India's air quality goals.
- Most of the cost impact is fixed and predictable, making it easier to manage.
- Experts argue that no alternative currently exists that can replace FGDs in removing SO_2 .

Relevance: GS Prelims & Mains Paper III; Environment

Source: The Hindu

3. Why Were SEZ Rules Relaxed?

Introduction

To promote domestic manufacturing of semiconductors and electronic components, the Government of India has relaxed rules related to Special Economic Zones (SEZs). This is part of a larger strategy to reduce India's dependence on imports and strengthen its electronics ecosystem.

Why Are Semiconductors So Important?

Semiconductors are tiny chips that power all electronic devices like:

- Phones, computers, smart TVs, and cars
- AI and machine learning systems
- Industrial automation tools

They are essential for the digital economy.



Currently, China dominates global semiconductor production (35% in 2021). After COVID-19, many countries, including India, realised the risks of relying on a single country and began working on domestic alternatives.

What Changes Has the Government Made to SEZ Rules?

On June 9, 2025, the government amended SEZ rules to make it easier and faster to set up semiconductor and electronics manufacturing units.

1. Reduced Land Requirement (Rule 5)

- Earlier: Minimum 50 hectares required
- Now: Only 10 hectares needed for semiconductor/electronics SEZs
- Benefit: Makes it easier for smaller players to invest and get SEZ benefits like tax breaks and duty-free imports

2. Relaxation of Encumbrance-Free Land (Rule 7)

- Earlier: Land had to be free of all legal issues
- Now: The Board of Approval can relax this condition
- Benefit: Speeds up SEZ setup despite India's complex land laws

3. Permission for Domestic Sales (Rule 18)

- Earlier: SEZs could only sell exports
- Now: Units can also sell within India after paying duties
- Benefit: Helps manage global trade uncertainties and supports local supply chains

What Has Been the Immediate Impact?

Although long-term effects will take time to measure, two new SEZs have already been approved under the relaxed rules:

1. Micron Semiconductor Plant – Gujarat

- Investment: ₹13,000 crore
- Location: Sanand, Gujarat
- Area: 37.64 hectares
- Focus: Semiconductor manufacturing

2. Aequs Electronics Unit – Karnataka

- Investment: ₹100 crore
- Location: Dharwad, Karnataka
- Area: 11.55 hectares
- Focus: Electronic components

Relevance: GS Prelims & Mains Paper III; Economics

Source: Indian Express

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