

SAME STORY

# India's Silicon Valley is already going under—and the rains have hardly begun

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Not again. (Reuters/Jagadeesh Nv)

Parts of India are celebrating the first signs of monsoon, but red flags are up in the country's celebrated Silicon Valley.

On June 03, the India Meteorological Department (IMD) warned that rain and thundershowers were very likely in Bengaluru over the following 24 hours. The downpour is

[likely to continue until June 09](#), the department said.

Following the weatherman's warning, the Karnataka State Natural Disaster Monitoring Centre (KSNDMC) issued a notice of its own saying that low-lying localities in five of the eight zones in Bengaluru "are vulnerable to flooding and are expected to get severely inundated."

The annual rainfall in Bengaluru between June and September typically averages at 98 cm, and [early showers have reportedly](#) already accounted for 35 cm.

But such warning is nothing new for the southern Indian city. Last year, in Bengaluru's wettest season in 115 years, [16 people lost their lives](#). This year, a daily wage labourer [was killed on June 02](#) when a wall collapsed due to heavy rain. Three others were also injured in the incident.

Already, the disastrous effects of the weather [are reportedly at play](#) with severe waterlogging on many roads, metro routes, and underpasses, and scores of trees being uprooted.

Bengaluru is home to large offices of international giants such as Amazon, Apple, and IBM, besides some of India's leading tech companies like Infosys, Wipro, and Ola. Still, poor infrastructure, especially an inadequate drainage system, ensures that the rains almost always get the better of the city.

"Despite the knowledge of occurrence of heavy downpours and its frequency, the natural drainage channels are not maintained, catchment area of lakes have been allowed to be encroached by land mafia in connivance with the government machinery," a [2009 study by two researchers](#) from the Indian Institute of Science noted, adding that "unchecked construction of big buildings, loss of open spaces, and clogged drains" make matters worse.

The rapid urbanisation and burgeoning pollution, coupled with weak attempts of rainwater harvesting, [are adding to the mess](#) across big cities.

"(In) most metros, including Delhi NCR, Mumbai, and Bengaluru, whenever a downpour of even 30-40mm—which is not considered very heavy rain—happens, low-lying areas still get

flooded,” said Mahesh Palawat, chief meteorologist at weather-forecasting company Skymet. “The infrastructure and capabilities of conservationists are responsible for this.” And even though India’s financial capital, Mumbai, has been warned of heavy to extreme rainfall between June 08 and 11 almost a week in advance, “we know there will be flooding there, too,” Palawat said.

WHAT TIMING!

# India’s biggest cryptocurrency scam gets murkier and murkier

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📷 Caught in a mess. (Reuters/Dado Ruvic)

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India’s biggest cryptocurrency scam is continuing to unravel.

On June 05, British businessman Raj Kundra—the husband of Bollywood actor Shilpa Shetty—[was questioned by India's enforcement directorate \(ED\)](#). He was allegedly involved in a scam that saw Amit Bhardwaj, founder of bitcoin firm GainBitcoin, reportedly duping investors of [around Rs2,000 crore](#) (\$300 million).

## What is the scam?

It is essentially a Ponzi scheme that impacted over 8,000 bitcoin investors in India. Kingpin Bhardwaj is a software developer and former Infosys employee who jumped on to the cryptocurrency bandwagon.

He owns and runs multiple cryptocurrency operations, but his most popular venture, GainBitcoin, is what is in the eye of the storm. Founded in 2013, GainBitcoin—now apparently shut—operated a [multi-level marketing scheme](#) in which bitcoin investors were promised massive returns on investments, besides bonuses for bringing in other investors. At one point, Bhardwaj had around [100,000 investors on the network](#) and managed to establish himself as an expert in the field by writing books on cryptocurrencies and procuring celebrity endorsements, including by Shetty herself.

Bhardwaj also launched his own initial coin offering (ICO), similar to an initial public offering at the stock market, with a [bitcoin-like product named MCAP](#) in 2017.

Soon, however, [complaints began pouring](#) in from investors who weren't receiving the promised returns. Unable to contact the company and withdrawing their investments, a few of them launched an [online Change.org campaign](#) against Bhardwaj and his firm in April 2017.

Bhardwaj, though, left India for Dubai and later for Bangkok. He was [arrested in New Delhi in April](#) this year. Investigations into Bhardwaj's transactions and the scam are now on.

## What does Raj Kundra have to do with this?

Kundra's name popped up after the ED [reportedly found links](#) between Bhardwaj and the Match Indian Poker League, a franchise-based poker tournament promoted by the

businessman's company, Viaan Industries.

The Briton has denied allegations of helping Bhardwaj launder money. [In a statement](#) to The Times of India newspaper, he said:

This is to clarify that I have no involvement or connection in the bitcoin scam whatsoever. I was summoned by the ED merely as a witness. An inquiry is underway and I am cooperating with the law enforcement agency as Bhardwaj is an acquaintance and protocol is being followed. Bharadwaj was to buy a team in the poker league and got into a contract with us. But due to non-payment, his contract was terminated. I have come as a witness to the same.

This isn't the first time he's been found in murky waters. In 2013, Kundra, who owned the Indian Premier League cricket team, Rajasthan Royals, was caught in a betting scandal and [barred from any cricket-related](#) activities for life.

## Tip of the iceberg

These developments come at a time when the number of cryptocurrency scams in the country are [on the rise](#).

Initially, they were carried out at a smaller scale, involving criminals hacking into peoples' accounts or conducting fraudulent transactions. In April, for instance, nine police officers in the western Indian state of Gujarat were arrested for kidnapping a businessman and [extorting 200 bitcoins from him](#).

But Bhardwaj's alleged shenanigans have taken matters to another level. And that too when India's cryptocurrency ecosystem has come under increasing scrutiny. The Narendra Modi government and the country's top court are [yet to take a final call](#) on the legality of cryptocurrencies in India, even as the Reserve Bank of India has made its displeasure with these virtual monies known repeatedly.

The uncovering of the massive scam now will do the industry no favours.