Business

DHAKA SUNDAY OCTOBER 4, 2026, ASHWIN 19, 1433 BS
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BTRC seeks 60% monthly allowance for employees

TIB's Iftekharuzzaman calls it unreasonable

MAHMUDUL HASAN

The Bangladesh Telecommunication Regulatory Commission (BTRC) has decided to seek government approval to give its officials and employees a monthly regulatory allowance equal to 60 percent of their basic salary.

The telecom regulator cited its revenue collection, employees' specialised skills, restrictions on their employment after leaving the commission and benefits offered by other regulatory and revenue-collecting agencies as reasons for the allowance.

The decision was made at the commission's latest meeting last week, according to its documents. BTRC Chairman Maj Gen (retd) Md Emdad Ul Bari chaired the meeting, attended by four other commissioners.

The allowance will come into effect only if the government approves it. The BTRC will send a detailed proposal to the Posts and Telecommunications Division under the Ministry of Posts, Telecommunications and Information Technology.

The BTRC said it has been a major non-tax revenue collector for more than two decades

The BTRC said it has been a major non-tax revenue collector for more than two decades, with its earnings contributing to the national economy, digital connectivity and economic growth.

It collected Tk 3,885.24 crore in fiscal year 2025-26 and deposited Tk 3,402 crore with the government treasury.

Since 2001-02, the commission has collected Tk 85,779.82 crore, of which Tk 82,739.42 crore was deposited with the treasury.

The documents show that the BTRC exceeded its revenue target in each of the past five fiscal years. However, the gap between its collection and target narrowed sharply from about Tk 979 crore in 2021-22 to roughly Tk 55 crore in 2025-26.

Its revenue collection also fell by about 11 percent over the period, while treasury deposits declined from Tk 4,081.13 crore to Tk 3,402 crore.

The documents do not explain the roughly Tk 483 crore difference between the commission's collection and treasury deposits in 2025-26.

Between 2005 and 2026, the BTRC also collected Tk 1,215.52 crore in administrative fines, merger fees and share transfer fees.

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BASIC BANK: AT A GLANCE

TIMELINE

- **1989** — Operations begin
- **1989–2009** — Profitable years; bad loans only 4.83% (end-2010)
- **2009** — Sheikh Abdul Hye Bacchu appointed chairman; Tk 4,425cr lending irregularities across four branches (Dec 2009 to Nov 2012)
- **2013** — First net loss (Tk 53cr); losses every year since
- **July 2014** — Bacchu resigns after BB finds irregularities
- **End-2014** — Bad loans hit 57.15%
- **2015** — ACC names Bacchu responsible
- **April 2024** — Forced merger push with City Bank triggers depositor panic and a liquidity crisis; plan scrapped after August 2024

WHERE IT STANDS (As of Sept 12, 2026)

- **Bad loans:** Tk 8,153cr (64.49% of total)
- **Provision shortfall:** Tk 5,051cr
- **Capital shortfall:** Tk 5,148cr
- **Deposits:** Tk 17,224cr
- **Loans and advances:** Tk 12,521cr
- **Top 20 defaulters:** owe Tk 2,288cr; only about Tk 36cr recovered
- Bacchu had already fled the country

A BIG ASK

Tk 5,000cr in low-cost fund

Management says turnaround possible in 3 years with support

BASIC Bank still struggling to heal from Bacchu-era damage

New chairman seeks Tk 5,000cr in low-cost deposits from the government, while an expert says good governance must come first

MD MEHEDI HASAN

Once a reputed and profitable state-owned lender, BASIC Bank is still struggling to recover from the financial damage caused during the tenure of its former chairman Sheikh Abdul Hye Bacchu, under whom irregularities involving around Tk 4,500 crore came to light.

Established in 1989, the bank was profitable till 2009, when the then Awami League government appointed Jatiya Party leader Bacchu as its chairman.

Soon after, the commercial lender became mired in financial irregularities.

An inspection by the Bangladesh Bank (BB) later found that loans worth Tk 4,424.93 crore were disbursed with serious irregularities across four branches between December 2009 and November 2012. The loans are yet to be recovered by the bank.

Bacchu resigned as BASIC Bank chairman in July 2014, shortly after BB uncovered massive irregularities and scams and recommended that the finance ministry dissolve the bank's board.

By then, the state lender's bad loans had jumped to 57.15 percent from just 4.83 percent at the end of 2010.

Although widespread irregularities and corruption took place at the bank, Bacchu was not officially held responsible until 2015.

By the time the Anti-Corruption Commission (ACC) identified him as responsible, he had already fled the country.

FAILED MERGER WORSENED BASIC CRISIS

Amid the irregularities and scams, BASIC Bank posted a net loss of Tk 53 crore in 2013. Since then, it has reported losses every year.

The loss stood at Tk 416 crore in 2023 and had reached Tk 655 crore by September 12 this year, according to the bank's data.

Over the same period, its bad loans rose to Tk 8,153 crore, or 64.49 percent of its total disbursed loans, while its provision shortfall stood at Tk 5,051 crore as of September 12 this year. The bank also faces a capital shortfall of Tk 5,148 crore, show data.

Under the previous Awami League government, then BB governor Abdur Rouf Talukder pushed BASIC Bank towards a voluntary merger with City Bank, one of the country's largest private lenders, in April 2024.

The move was part of a broader central bank drive to merge weak banks with stronger ones.

However, the rescue initiative dealt another blow to the bank. It triggered a severe liquidity crisis as public and institutional depositors panicked. The plan was eventually scrapped following the political changeover in August 2024.

The image problem still hurts deposits and business despite improvements over the past two years, according to Helal Ahmed Chowdhury, chairman of the bank, who took charge in November 2024.

Helal, a senior banker with nearly five decades of experience, said that the bank's main wound is the scam that started in 2009. "We are still struggling to overcome its impact."

He said the bank is now focused on reducing non-performing loans (NPLs), expanding export and import business, onboarding new exporters, strengthening its foreign currency position and attracting remittances through arrangements with overseas banks.

TK 5,000CR DEPOSIT SOUGHT FOR RECOVERY

The current chairman of the bank said they are seeking Tk 5,000 crore in low-cost deposits from the government or BB to improve its financial position and reduce NPLs.

"The proposal is still under process."

Helal said the low-cost funds could be used to replace some high-cost deposits, helping strengthen the bank's liquidity position and rebuild depositor confidence.

The bank is also seeking government support to open Special Notice Deposit (SND) accounts with government agencies and to be included among the banks designated to receive government deposits and loans.

An SND account is a short-term, interest-bearing bank account for businesses, institutions and individuals who need frequent transactions but want to earn a higher return than a standard current account.

As of September this year, the bank's deposits stood at Tk 17,224 crore, while its loans and advances stood at Tk 12,521 crore, according to data.

Helal said the bank is working with Sonali Bank and other lenders on bilateral arrangements and is seeking agency agreements with overseas banks to facilitate remittance inflows.

To boost lending and recovery, BASIC Bank has introduced a system requiring every branch to submit two loan proposals and two recovery plans each month.

The bank has 72 branches and 35 sub-branches, along with other operational units.

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Increase fruit imports to keep prices in check

Muktadir says

STAR BUSINESS REPORT

Commerce Minister Khandakar Abdul Muktadir yesterday asked importers to open letters of credit (LCs) quickly to increase supplies of fruits, including dates, and keep prices in check.

At a meeting with traders and representatives of relevant government agencies at the Secretariat, Muktadir asked traders how the retail price of malta (orange) had reached Tk 520 per kg after accounting for import costs, duties, taxes and other expenses.

Traders attributed the price rise primarily to a severe supply shortage, as only 12 to 29 containers of malta arrived in some weeks against an estimated daily requirement of around 15 containers, according to a press release.

Importers added that high duties, transport costs, shipping and port complications, and losses on earlier consignments had led many to cut malta imports.

In response, Muktadir assured traders that the government would review the duty on malta and urged them to source more from alternative markets and open LCs quickly to increase supplies within the next few weeks.

He also directed the Directorate of National Consumer Rights Protection to take action if evidence of malta being sold at abnormal prices is found, saying unjustified price hikes would not be allowed.

On dates, a widely consumed item during Ramadan, Muktadir said the government would announce its decision on duties and taxes on the fruit this week.

Date importers said longer shipping times caused by international transport and port-related complications made a quick decision on duties necessary to ensure

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SPOTLIGHT

Restaurants seek unified licensing system

STAR BUSINESS REPORT

Restaurant owners have demanded a unified one-stop service to streamline the 10-12 separate approvals currently required to operate a restaurant, as part of a nine-point set of demands for reducing regulatory and business costs.

They made the demands at a press conference organised by the Bangladesh Restaurant Owner's Association at Fars' Hotel in the capital yesterday, according to a press statement.

The association said it had long been demanding an effective one-stop service, but successive governments had failed to give due importance to the issue.

It said restaurants currently need approvals from 10-12 departments, making the process time-consuming and costly and hampering both business operations and regulatory monitoring.

The association proposed bringing the sector under a unified compliance system modelled on that of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), along with training for government officers and staff.

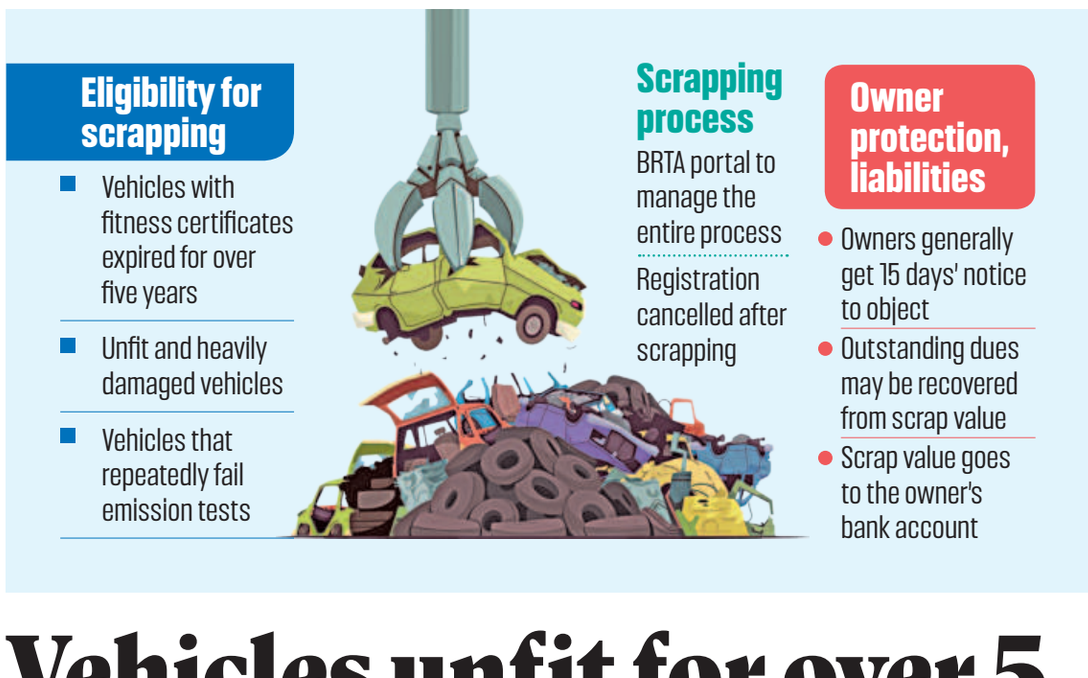
It also welcomed the government's move to digitise services, including trade licence issuance and renewal, and connect city corporation and municipal licensing services to the central investment service system.

The association said another licensing requirement had recently been imposed on restaurant owners by the Bangladesh Food Safety Authority.

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PHOTO: STAR/FILE



Vehicles unfit for over 5 years face scrapping

Policy sets out procedures for seizure, recycling and registration cancellation

STAR BUSINESS REPORT

Vehicles whose fitness certificates have expired for more than five years will now be formally scrapped under a new government policy aimed at removing long-unfit vehicles from the country's roads.

Published on September 29, the Motor Vehicle Scrapping and Recycling Policy, 2026 sets out a formal process for identifying, seizing, scrapping and recycling vehicles that are no longer fit for use.

The five-year expired-fitness provision is one of several grounds for scrapping vehicles. Others include exceeding the prescribed economic life, being so badly damaged that repairs are no longer financially viable, and repeatedly failing emission standards.

The policy also covers vehicles rendered unusable by government, autonomous or private institutions; those ordered to be scrapped by a court or competent authority; voluntarily surrendered vehicles; unauthorisedly manufactured vehicles; and vehicles whose approved designs have been changed without permission.

Vehicles that exceed the standards set under the Air Pollution (Control) Rules, 2022, three times in a month during tests by the competent authority can also be scrapped. The same applies to vehicles that the government has declared prohibited.

OWNERS WILL GET A CHANCE TO OBJECT

For vehicles that have remained unfit or had expired fitness certificates for more than five years, the authorities will follow a set process before sending them for scrapping.

If police or another competent authority seizes a vehicle eligible

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