Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

EFFICIENCY OF WORKING CAPITAL MANAGEMENT IN TANZANIAN PUBLIC ENTERPRISES: EVIDENCE FROM RATIO ANALYSIS

CPA. Mawazo H. Baruti[1], Lilian M. Mtagwa[2], Gladness J. Kessy[3]
[1]Lecturer, Institute of Rural Development Planning (IRDP), P.O. Box 138, Dodoma, Tanzania
[2]Student, University of Dodoma, P.O. Box 259, Dodoma, Tanzania
[3]Graduate Student, Moshi Cooperative University, P.O. Box 474, Moshi, Tanzania

Corresponding Author: CPA. Mawazo H. Baruti

Article DOI: https://doi.org/10.36713/epra24922
DOI No: 10.36713/epra24922

ABSTRACT

Efficient working capital management (WCM) is critical for the liquidity, profitability, and sustainability of public enterprises, which play a pivotal role in Tanzania's socio-economic development. Despite their significance, many Tanzanian public business enterprises (PBEs) face operational inefficiencies and liquidity challenges due to suboptimal WCM practices. This study investigates the efficiency of WCM in two major Tanzanian PBEs which are NMB Bank PLC (financial sector) and Tanzania Breweries Limited (TBL) (manufacturing sector) over a five-year period (2020–2024). Using audited financial statements, seven key financial ratios were computed to assess three dimensions of WCM: liquidity (current, quick, and cash ratios), asset management (receivables and inventory turnover), and debt management (debt-to-equity and debt-to-assets ratios). The findings reveal significant sectoral differences: TBL demonstrates strong liquidity, efficient asset turnover, and conservative leverage, while NMB exhibits lower liquidity due to the structural nature of banking operations, though debt management remains stable. Trend analysis shows gradual improvement in WCM efficiency for both enterprises, highlighting the importance of sector specific strategies in optimizing working capital. The study provides practical insights for managers, auditors, and policymakers seeking to enhance financial performance and enterprise sustainability. It contributes to the literature by offering a comparative, cross-sectoral analysis and recommending tailored WCM policies that reflect operational and structural characteristics of Tanzanian PBEs.

KEYWORDS: *Working Capital Management, Efficiency, Ratio Analysis, Public Enterprises, Tanzania*

1.0 INTRODUCTION

Public business enterprises (PBEs) are central to Tanzania's economic growth, employment creation, and provision of essential goods and services. According to the National Bureau of Statistics (2022), PBEs contribute approximately 15% of the country's GDP and employ over 250,000 individuals across sectors such as finance, manufacturing, and energy. Despite their importance, many PBEs experience persistent financial challenges, including liquidity shortages, delayed debt servicing, and inefficient asset utilization, often stemming from suboptimal working capital management (WCM). WCM, which involves managing current assets and current liabilities, is essential for ensuring that firms can meet short-term obligations while maintaining operational efficiency. Inefficient WCM may lead to liquidity crises, increased financing costs, and reduced profitability, ultimately threatening the sustainability of enterprises.

While extensive research has examined WCM in private firms globally, empirical evidence on WCM efficiency in Tanzanian PBEs remains limited. Prior studies indicate sectoral disparities in financial management practices: manufacturing firms often demonstrate higher asset turnover and liquidity efficiency than financial institutions due to differences in operational models and regulatory frameworks (Mwaipopo, 2017; Kipesha & Moshi, 2020).

This study addresses this research gap by conducting a comparative analysis of two major Tanzanian PBEs representing distinct sectors: NMB Bank PLC, a leading financial institution, and Tanzania Breweries Limited (TBL), a prominent manufacturing company. The objectives are to (i) evaluate liquidity efficiency using current, quick, and cash ratios, (ii) assess asset management efficiency using receivables and inventory turnover ratios, and (iii) analyze debt management efficiency using debt-to-equity and debt-to-assets ratios. Covering the period 2020–2024, the study provides insight into trends in WCM efficiency, sector specific differences, and the operational and financial strategies required to enhance the performance and sustainability of Tanzanian PBEs.

2.0 LITERATURE REVIEW

2.1 Theoretical Review

The study is grounded in four key financial theories:

2.1.1 Agency Theory

Jensen and Meckling (1976) posit that the separation of ownership and control in modern corporations creates potential conflicts of interest between managers (agents) and shareholders (principals). Managers may act in their own self-interest rather than in the best interest of shareholders, leading to agency problems that can influence financial and operational decisions. In the context of Working Capital Management (WCM), these conflicts may result in inefficient utilization of resources. For instance, managers might maintain excessive levels of inventory to minimize the risk of stockouts and production interruptions or extend overly generous credit terms to customers to boost sales volumes and personal performance metrics. Such practices can tie up capital unnecessarily and diminish returns to shareholders. Conversely, overly aggressive reduction of working capital to improve short-term financial indicators might compromise liquidity and operational stability. Agency Theory thus highlights the importance of aligning managerial incentives with shareholder interests through mechanisms such as performance-based compensation, effective corporate governance, and financial oversight. When such alignment is achieved, managers are more likely to pursue efficient WCM practices that optimize liquidity, minimize costs, and maximize firm value.

2.1.2 Working Capital Cycle Theory

Brealey and Myers (2002) emphasize that the Working Capital Cycle (or Cash Conversion Cycle, CCC) represents the time interval between the initial outlay of cash for purchasing goods and services and the subsequent recovery of cash from customers. This theory underscores that a shorter cycle enhances liquidity and reduces reliance on external financing, thereby improving overall financial flexibility. Efficient management of the cycle's components i.e. receivables, inventory, and payables is essential for sustaining profitability and operational efficiency. A shorter receivable collection period accelerates cash inflows, minimizing the risk of bad debts; effective inventory turnover reduces holding costs and obsolescence; and strategically extending payables without harming supplier relationships conserves cash and supports liquidity. The Working Capital Cycle Theory also acknowledges that optimal cycle duration varies across industries depending on production processes, operating environments, and credit structures. Therefore, firms that maintain a balanced and efficient cash conversion cycle can generate higher returns on investment, improve cash management, and enhance their capacity to fund growth internally.

2.1.3 Trade-Off Theory

Kraus and Litzenberger (1973) introduce the Trade-Off Theory to explain how firms balance the costs and benefits associated with different levels of liquidity and leverage. The theory argues that firms strive to achieve an optimal capital and liquidity structure that minimizes overall risk while maximizing profitability. In relation to WCM, this involves managing the delicate balance between maintaining sufficient current assets to ensure liquidity and minimizing idle resources that could otherwise generate higher returns. Excessive liquidity can lead to suboptimal performance by lowering returns on assets, while inadequate liquidity increases the risk of financial distress and inability to meet short-term obligations. Firms must, therefore, identify a level of working capital that provides adequate operational flexibility without sacrificing profitability. The trade-off depends on several factors, including the firm's risk appetite, access to credit markets, industry characteristics, and volatility of cash flows. By maintaining this equilibrium, firms can ensure stable operations, lower their cost of capital, and improve shareholder value.

2.1.4 Pecking Order Theory

Myers and Majluf (1984) propose the Pecking Order Theory, which explains corporate financing behavior based on information asymmetry between internal management and external investors. Because managers possess superior

information about firm value and performance prospects, external investors often perceive new equity issues as a signal of potential overvaluation, leading to adverse market reactions. Consequently, firms prefer to finance their operations through a hierarchy of sources: first using internal funds (retained earnings), then debt, and finally new equity as a last resort. This financing preference has direct implications for WCM decisions. Firms that rely primarily on internal financing must manage their working capital efficiently to maintain adequate liquidity for operations and investments. Efficient WCM practices such as timely collection of receivables, optimal inventory control, and prudent management of payables help firms minimize the need for costly external financing. In this sense, working capital serves as an internal liquidity cushion that allows firms to operate smoothly despite fluctuations in external funding conditions. The theory therefore provides a vital link between financing strategy, liquidity management, and firm performance.

Summary of Theoretical Perspectives

Collectively, these theories provide a multidimensional framework for analyzing WCM efficiency. Agency Theory explains how managerial incentives and governance structures shape working capital policies; Working Capital Cycle Theory emphasizes the operational efficiency and timing of cash flows; Trade-Off Theory highlights the balance between liquidity and profitability; and Pecking Order Theory illuminates the role of financing preferences in shaping liquidity management practices. Together, they form a robust theoretical foundation for understanding how managerial behavior, financial structure, and operational dynamics influence the effectiveness of working capital management and, ultimately, firm performance.

2.2 Empirical Review

Empirical evidence consistently demonstrates that efficient working capital management (WCM) positively affects firm performance, particularly profitability and liquidity. Deloof (2003) examined Belgian non-financial firms and found that shorter accounts receivable and inventory turnover periods significantly improve profitability, highlighting the critical role of operational efficiency. Similarly, Gill, Biger, and Mathur (2010) analyzed US firms and reported that firms maintaining optimal levels of liquidity and asset turnover outperform peers in terms of return on assets and return on equity. These studies underscore the universality of WCM principles, linking effective short-term asset and liability management to financial outcomes.

In emerging economies, research illustrates unique sectoral and structural challenges. Akinlo (2012) analyzed quoted companies in Nigeria and found that inefficient WCM increases liquidity constraints and financial risk exposure, with manufacturing firms generally more sensitive to inventory mismanagement than service oriented firms. Bassey and Ogbuabor (2016) extended this to selected Nigerian banks, revealing that liquidity ratios and loan recovery practices significantly impact profitability, highlighting the specific challenges faced by financial institutions where receivables differ from trade credit.

In Sub-Saharan Africa, studies indicate that WCM efficiency is shaped by institutional and regulatory factors. For instance, Kihoro and Waweru (2018) found that Kenyan manufacturing firms with effective inventory and receivables management reported higher operational efficiency, whereas firms in highly regulated financial sectors showed constrained liquidity but more conservative leverage strategies. These findings suggest that sectoral characteristics, including operational cycles and regulatory oversight, are critical determinants of WCM outcomes.

Focusing on Tanzania, empirical research remains limited but informative. Mwaipopo (2017) analyzed parastatals and identified frequent liquidity imbalances, delays in receivables collection, and weak credit control systems as major barriers to operational efficiency. Kipesha and Moshi (2020) compared financial institutions and manufacturing firms, finding that banks exhibit lower liquidity ratios but maintain stable leverage, whereas manufacturing firms show higher turnover ratios and more agile inventory management. Similarly, Ngoma and Mwakalobo (2018) reported that Tanzanian manufacturing firms with well-monitored cash conversion cycles experienced higher profitability and reduced reliance on short-term borrowing.

Collectively, the literature indicates that WCM practices are sector-specific and influenced by internal management, regulatory frameworks, and macroeconomic conditions. Despite these insights, there is a research gap in comparative analyses of Tanzanian PBEs across sectors, particularly integrating financial and manufacturing institutions. This study addresses this gap by evaluating NMB Bank PLC and TBL using key liquidity, asset management, and debt

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

management ratios, contributing to both empirical and policy-relevant knowledge on WCM efficiency in Tanzania's public sector.

2.3 Conceptual Framework

The conceptual framework of this study illustrates the linkages between theoretical perspectives on working capital management (WCM), operational components of WCM, and the expected financial outcomes in Tanzanian public enterprises. The framework integrates four key theories which are; Agency Theory, Trade-Off Theory, Pecking Order Theory, and Working Capital Cycle Theory which provide a foundation for understanding managerial behavior, financing preferences, liquidity management, and operational efficiency. These theoretical perspectives inform the management of core WCM components, including liquidity (current, quick, and cash ratios), receivables and inventory turnover, and debt management (debt-to-equity and debt-to-assets ratios).

Efficient management of these components is expected to result in improved firm performance, reflected in enhanced financial stability, profitability, and long-term sustainability. The framework therefore posits a causal pathway: theoretical principles influence managerial decisions on WCM components, which in turn affect financial outcomes. This structure allows for a systematic analysis of WCM efficiency across sectors and highlights the importance of sector-specific strategies in optimizing liquidity, operational cycles, and leverage.

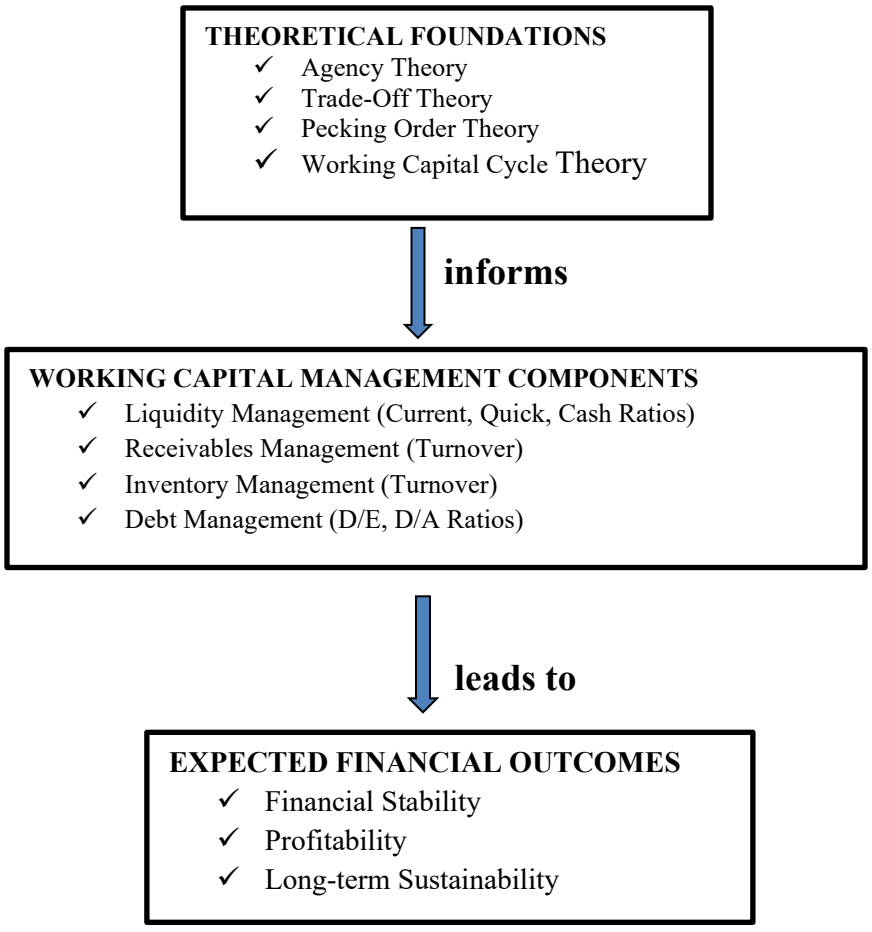


Figure 1: Conceptual Framework

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

3.0 METHODOLOGY

3.1 Research Design

This study adopted a descriptive analytical research design to evaluate the efficiency of working capital management (WCM) in two major Tanzanian public enterprises: NMB Bank PLC, representing the financial sector, and Tanzania Breweries Limited (TBL), representing the manufacturing sector, over a five-year period from 2020 to 2024. The design was selected because it allows for both the systematic description of financial performance and the analytical assessment of WCM efficiency through quantitative ratio analysis. By focusing on both trends and sectoral comparisons, the study captures variations in liquidity, asset turnover, and leverage, providing a robust framework for understanding how organizational structure and sector-specific characteristics influence working capital practices.

3.2 Data Sources and Collection

The study relied entirely on secondary data obtained from audited financial statements of NMB Bank PLC and TBL for the period 2020–2024. These statements included the statements of financial position, profit or loss accounts, and cash flow statements. Using audited and published financial reports ensured the reliability, accuracy, and consistency of data, which is crucial for meaningful ratio analysis and comparative assessment across sectors. The data collection process focused on extracting relevant information to compute liquidity, turnover, and debt management ratios, which form the basis for evaluating WCM efficiency and drawing evidence-based conclusions.

3.3 Ratio Selection and Justification

Seven key ratios were computed to evaluate the efficiency of WCM across three dimensions as shown in Table 1 below:

Table 1. Key ratios used to evaluate the efficiency of WCM

Dimension	Ratio	Formula	Justification
Liquidity	Current Ratio	Current Assets ÷ Current Liabilities	Measures short-term solvency and ability to meet obligations
Liquidity	Quick Ratio	(Current Assets – Inventory) ÷ Current Liabilities	Focuses on highly liquid assets, excluding inventory
Liquidity	Cash Ratio	Cash & Cash Equivalents ÷ Current Liabilities	Assesses immediate liquidity availability
Asset Management	Receivables Turnover	Revenue ÷ Average Receivables	Evaluates efficiency of credit management and collection practices
Asset Management	Inventory Turnover	Cost of Goods Sold ÷ Average Inventory	Indicates efficiency in managing inventory cycles
Debt Management	Debt-to-Equity	Total Debt ÷ Shareholders' Equity	Measures leverage and financial risk exposure
Debt Management	Debt-to-Assets	Total Debt ÷ Total Assets	Indicates proportion of firm assets financed through debt

3.4 Analytical Techniques

The study employed a combination of quantitative analytical techniques to evaluate the efficiency of working capital management among Tanzanian public enterprises, specifically focusing on Tanzania Breweries Limited (TBL) and the National Microfinance Bank (NMB). The first analytical method applied was trend analysis, which examined changes in key financial ratios across the five-year period from 2020 to 2024. This technique enabled the detection of improvements or declines in various aspects of working capital efficiency, such as liquidity, solvency, and turnover ratios. By analyzing patterns in the data, the study identified the direction and magnitude of change in financial performance indicators, providing insight into whether the firms' working capital management practices improved or deteriorated over time.

In addition, the study utilized comparative analysis to assess the structural and operational differences between the financial and manufacturing sectors. This approach involved evaluating the performance of NMB and TBL to identify how sector-specific characteristics influenced liquidity management, inventory control, receivable collection, and leverage levels. Through cross-sectional comparison, the study explored how variations in business models, capital intensity, and regulatory frameworks affected each enterprise's ability to manage short-term assets and liabilities

effectively. This comparison provided a clearer understanding of the contextual factors shaping working capital decisions in distinct sectors of the Tanzanian economy.

Furthermore, descriptive statistical analysis was applied to summarize the ratio data and to present an overview of the firms' financial performance over the study period. Measures such as the mean, minimum, and maximum values of each ratio were calculated to depict the central tendency and variability in working capital efficiency. The descriptive statistics offered an overall snapshot of each enterprise's operational stability and financial discipline. By combining trend, comparative, and descriptive analytical techniques, the study ensured a comprehensive and multidimensional evaluation of working capital management efficiency, supporting both temporal and sectoral interpretations of the results.

3.5 Limitations

Despite the robustness of the methodological framework, this study acknowledges certain limitations that may affect the scope and interpretation of its findings. One notable limitation is the reliance on secondary data, primarily drawn from published financial statements and annual reports. Although such data are standardized and publicly verifiable, they may not fully capture the qualitative aspects of managerial decisions, internal policies, and day-to-day operational practices that influence working capital management outcomes. As a result, some important contextual or behavioral factors affecting liquidity and turnover efficiency could not be observed directly.

Another limitation arises from differences in accounting policies and reporting standards between the financial and manufacturing sectors. Banks such as NMB adhere to International Financial Reporting Standards (IFRS) tailored for financial institutions, whereas manufacturing firms like TBL apply broader IFRS guidelines designed for industrial enterprises. These differences can lead to variations in the measurement and classification of current assets, liabilities, and provisions, which may, in turn, affect the comparability and interpretation of ratios across sectors. Consequently, the results should be understood within the context of sector-specific reporting practices.

Moreover, the study did not explicitly incorporate macroeconomic variables such as inflation, interest rate fluctuations, or exchange rate movements that may have influenced working capital dynamics during the 2020–2024 period. These external economic factors could significantly impact liquidity levels, borrowing costs, and inventory valuation, thereby indirectly shaping the ratio outcomes analyzed. Despite these limitations, the study provides a valuable quantitative assessment of working capital management efficiency among Tanzanian public enterprises and offers a reliable foundation for future research that may integrate both qualitative and macroeconomic dimensions.

4.0 RESULTS AND DISCUSSION

4.1 Liquidity Ratios

Table 2. Liquidity Ratios (2020–2024)

Year	NMB Current Ratio	NMB Quick Ratio	NMB Cash Ratio	TBL Current Ratio	TBL Quick Ratio	TBL Cash Ratio
2020	0.45	0.39	0.25	1.41	1.03	0.70
2021	0.72	0.64	0.38	1.52	1.12	0.80
2022	0.88	0.74	0.42	1.61	1.25	0.92
2023	1.02	0.88	0.55	1.68	1.33	1.02
2024	1.16	1.02	0.63	1.74	1.45	1.10

Discussion

Analysis of liquidity ratios for the period 2020–2024 reveals significant differences between TBL and NMB. TBL consistently maintains strong liquidity, with the current ratio improving from 1.41 in 2020 to 1.74 in 2024, the quick ratio increasing from 1.03 to 1.45, and the cash ratio rising from 0.70 to 1.10. These trends suggest effective cash management, prudent short-term investment, and efficient inventory control, reflecting the Working Capital Cycle Theory and Trade-Off Theory principles. In contrast, NMB exhibits structurally lower liquidity ratios, with gradual improvement over the period (current ratio 0.45 to 1.16, quick ratio 0.39 to 1.02, cash ratio 0.25 to 0.63), reflecting banking sector norms and improved asset-liability management, consistent with Agency Theory considerations.

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

4.2 Receivables and Inventory Turnover

Table 3. Receivables and Inventory Turnover (2020–2024)

Year	NMB Receivables Turnover	NMB Inventory Turnover	TBL Receivables Turnover	TBL Inventory Turnover
2020	0.18	N/A	10.78	5.88
2021	0.20	N/A	11.26	6.22
2022	0.22	N/A	11.74	6.89
2023	0.24	N/A	12.35	7.21
2024	0.26	N/A	12.82	7.68

Discussion

The assessment of turnover ratios highlights sector-specific operational influences on efficiency. TBL's receivables turnover improved from 10.78 to 12.82, while inventory turnover increased from 5.88 to 7.68, demonstrating enhanced operational efficiency, effective credit policies, and optimized inventory management. NMB's receivables turnover rose modestly from 0.18 to 0.26, while inventory turnover is not applicable, reflecting banking operations where long-term loans replace trade receivables. These results confirm that turnover ratios are strongly influenced by sectoral operational processes and align with the Working Capital Cycle Theory.

4.3 Debt Management Ratios

Table 4. Debt Management Ratios (2020–2024)

Year	NMB Debt-to-Equity	NMB Debt-to-Assets	TBL Debt-to-Equity	TBL Debt-to-Assets
2020	5.00	0.82	0.55	0.36
2021	4.80	0.81	0.53	0.34
2022	4.60	0.80	0.54	0.35
2023	4.45	0.81	0.55	0.35
2024	4.37	0.81	0.54	0.35

Discussion

Debt management analysis demonstrates contrasting leverage strategies across sectors. TBL maintains a conservative debt profile, with debt-to-equity around 0.53–0.55 and debt-to-assets stable at 0.34–0.36, indicating prudent financing consistent with Trade-Off Theory. NMB exhibits higher leverage, with debt-to-equity declining from 5.00 to 4.37 and debt-to-assets around 0.81–0.82, characteristic of banking operations funded primarily through deposits. The gradual deleveraging reflects improved financial prudence and risk management, highlighting the influence of sector-specific financial structures.

4.4 Overall Discussion

The comparative analysis confirms that sectoral characteristics significantly influence working capital management efficiency. TBL's superior liquidity, receivables and inventory turnover, and stable leverage reflect efficient manufacturing operations with inventory-driven production cycles. NMB's lower liquidity and turnover ratios are consistent with financial institutions' operational norms, although improved debt management demonstrates growing financial discipline. Collectively, these findings underscore the importance of adopting sector-specific WCM policies, including effective credit control, inventory optimization, and robust cash flow monitoring systems. Furthermore, the results align with the theoretical framework (Agency, Trade-Off, Working Capital Cycle, and Pecking Order theories), explaining the observed variations in WCM efficiency across different sectors from 2020 to 2024.

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

Efficient working capital management is essential for ensuring the liquidity, profitability, and long-term sustainability of organizations. The findings of this study indicate that Tanzania Breweries Limited (TBL) exhibits a high degree of efficiency in managing liquidity, receivables, and inventory, complemented by conservative leverage practices. These results suggest that TBL's operational strategies, including prudent cash management, effective credit policies, and optimized inventory control, contribute significantly to its financial stability and operational performance. In contrast, the National Microfinance Bank (NMB) demonstrates relative stability primarily through careful debt management,

despite structural constraints on liquidity that are inherent in the banking sector. Overall, the study underscores that sector-specific characteristics significantly influence working capital efficiency, and that tailored management practices are necessary to achieve optimal financial outcomes. The conclusions are consistent with theoretical insights from Agency Theory, Trade-Off Theory, Working Capital Cycle Theory, and Pecking Order Theory, which collectively explain the observed differences in efficiency between manufacturing and financial institutions over the 2020–2024 period.

5.2 Recommendations

Based on the study's findings, several policy and managerial recommendations are proposed to enhance working capital management efficiency among Tanzanian public enterprises as follows;

i. Regulators should consider developing sector-specific benchmarks for working capital management to guide performance standards for public enterprises, recognizing the operational and structural differences between manufacturing and financial sectors.
ii. Managers are encouraged to adopt technology-driven cash flow monitoring systems, optimize inventory and receivables management, and implement effective credit policies to ensure that liquidity and operational efficiency are maintained without compromising profitability.
iii. Auditors and policymakers should actively monitor compliance with financial reporting standards, thereby enhancing transparency, accountability, and stakeholder confidence. Collectively, these recommendations aim to strengthen financial management practices and support sustainable growth in public enterprises across Tanzania.

Future Research

Future studies could employ econometric and panel data models to examine the causal relationship between working capital management (WCM) efficiency and firm profitability, providing more robust evidence on the direction and strength of these effects. Additionally, expanding the analysis to include a broader sample of Tanzanian public business enterprises (PBEs) across multiple sectors would enhance the generalizability of findings and allow for a more comprehensive understanding of sectoral variations in WCM practices. Such research could also incorporate macroeconomic and firm-specific factors, such as inflation, interest rates, and managerial policies, to assess their influence on working capital efficiency and overall financial performance.

6. REFERENCES

1. *Akinlo, O. (2012). Determinants of working capital requirements in selected quoted companies in Nigeria. Journal of African Business, 13(1), 40–50.*
2. *Bassey, U., & Ogbuabor, J. (2016). Liquidity management and profitability of banks in Nigeria. Journal of Financial Management Studies, 9(2), 45–60.*
3. *Brealey, R. A., & Myers, S. C. (2002). Principles of corporate finance. McGraw-Hill.*
4. *Deloof, M. (2003). Does working capital management affect profitability of Belgian firms? Journal of Business Finance & Accounting, 30(3-4), 573–588.*
5. *Gill, A., Biger, N., & Mathur, N. (2010). The relationship between working capital management and profitability: Evidence from the United States. Business and Economics Journal, 2010(10), 1–9.*
6. *Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. Journal of Financial Economics, 3(4), 305–360.*
7. *Kihoro, J., & Waweru, N. (2018). Working capital management and firm performance in Sub-Saharan Africa: Evidence from Kenya. African Journal of Finance and Accounting, 10(1), 77–95.*
8. *Kipesha, E. F., & Moshi, H. (2020). Efficiency of working capital management in Tanzanian public enterprises. Tanzania Journal of Finance, 5(1), 34–52.*
9. *Kipesha, T. A., & Moshi, H. G. (2020). Financial performance of Tanzanian enterprises: An empirical analysis. African Journal of Business Management, 14(3), 87–99.*
10. *Kraus, A., & Litzenberger, R. H. (1973). A state preference model of optimal financial leverage. Journal of Finance, 28(4), 911–922.*
11. *Mwaipopo, E. (2017). Working capital management practices in Tanzanian parastatals. African Journal of Finance and Management, 26(2), 78–89.*
12. *Myers, S. C., & Majluf, N. S. (1984). Corporate financing and investment decisions when firms have information investors do not have. Journal of Financial Economics, 13(2), 187–221.*

13. *National Bureau of Statistics. (2022). Statistical abstract 2022. Government of Tanzania. https://www.nbs.go.tz*
14. *Ngoma, A., & Mwakalobo, A. (2018). Cash conversion cycle and financial performance of manufacturing firms in Tanzania. International Journal of Business and Economics Research, 7(3), 112–125.*
15. *Stiglitz, J. E., & Weiss, A. (1981). Credit rationing in markets with imperfect information. American Economic Review, 71(3), 393–410.*
16. *Annual Reports (NMB Bank PLC and Tanzania Breweries Limited, 2020–2024).*

APPENDIX 1: NMB BANK PLC FINANCIAL STATEMENTS OF 2020 – 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2020 *TZS Millions*	*2019* *TZS Millions*
Interest income	*712,648*	*653,195*
Interest expense	*(141,483)*	*(130,820)*
Net interest income	*571,165*	*522,375*
Impairment charge – loans and advances	*(125,800)*	*(98,850)*
Impairment charge – off-balance sheet exposures	*6,488*	*(1,560)*
Total impairment charge	*(119,312)*	*(100,410)*
Net interest income after impairment	*451,853*	*421,965*
Fee and commission income	*284,812*	*215,816*
Fee and commission expense	*(58,412)*	*(46,663)*
Net fee and commission income	*226,400*	*169,153*
Trading income	*3,107*	*1,100*
Foreign exchange income	*27,377*	*24,454*
Other income	*14,395*	*9,702*
Total operating income	*723,132*	*626,374*
Employee benefits expense	*(195,515)*	*(182,579)*
Other operating expenses	*(158,029)*	*(154,567)*
Depreciation and amortization	*(68,308)*	*(73,367)*
Total operating expenses	*(421,852)*	*(410,513)*
Profit before income tax	*301,280*	*215,861*
Income tax expense	*(90,980)*	*(71,122)*
Profit for the year	*210,300*	*144,739*
Attributable to		
Owners of the Bank	*209,969*	*144,619*
Non-controlling interests	*331*	*120*
Profit for the year	*210,300*	*144,739*
Other comprehensive income, net of tax		
Items that may be subsequently be reclassified to profit or loss:		
Fair value (loss)/gain on debt instruments at FVOCI – net of tax	*(257)*	*168*
Total comprehensive income for the year	*210,043*	*144,907*
Attributable to		
Owners of the Bank	*209,712*	*144,787*
Non-controlling interests	*331*	*120*
Total comprehensive income for the year	*210,043*	*144,907*
Basic and diluted earnings per share (TZS)	*419.94*	*289.24*

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	2020 ***TZS Millions***	***2019*** ***TZS Millions***
Assets		
Cash and balances with Bank of Tanzania	*1,047,488*	*1,341,140*
Placements and balances with other banks	*170,829*	*264,326*
Loans and advances to customers	*4,108,789*	*3,590,006*
Investment in government securities		
- At amortised cost	*1,275,291*	*744,527*
- At FVOCI	*28,962*	*17,027*
Equity investment at FVOCI	*2,920*	*2,920*
Other assets	*68,744*	*91,3246*
Current tax assets	*11,536*	-
Property and equipment	*215,715*	*239,167*
Intangible assets	*13,898*	*20,779*
Right-of-use assets	*28,850*	*29,421*
Deferred tax assets	*85,314*	*76,788*
Total assets	*7,058,336*	*6,417,427*
Liabilities		
Deposits due to other banks	*131,224*	*33,446*
Deposits from customers	*5,325,450*	*4,916,551*
Other liabilities	*116,879*	*108,304*
Lease liabilities	*28,927*	*27,985*
Provisions	*971*	*2,230*
Borrowings	*5,327,154*	*276,445*
Current tax liabilities	-	*12,366*
Subordinated debt	*71,025*	*70,998*
Total liabilities	*5,927,191*	*5,448,325*
Capital and reserves		
Share capital	*20,000*	*20,000*
Retained earnings	*1,106,441*	*944,472*
Fair valuation reserve	*792*	*1,049*
Capital and reserves attributable to owners of the Parent	*1,127,233*	*965,521*
Non-controlling interest	*3,912*	*3,581*
Total equity	*1,131,145*	*969,102*
Total equity and liabilities	*7,058,336*	*6,417,427*

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2021 *TZS Millions*	*2020* *TZS Millions*
Interest income	815,446	712,648
Interest expense	(135,606)	(141,483)
Net Interest Income	679,840	571,165
Impairment charge – loans and advances	(113,040)	(125,800)
Impairment (charge)/release – off-balance sheet exposures	(89)	6,488
Total impairment charge	(113,129)	(119,312)
Net interest income after impairment	566,711	451,853
Fee and commission income	323,432	284,812
Fee and commission expense	(74,891)	(61,396)
Net fee and commission income	248,541	223,416
Trading income	2,726	3,107
Foreign exchange income	33,583	27,377
Other income	20,988	14,395
Net operating income	872,549	720,148
Employee benefits expense	(243,679)	(210,174)
Other operating expenses	(149,090)	(140,386)
Depreciation and amortization	(61,755)	(68,308)
Total operating expenses	(454,524)	(418,868)
Profit before income tax	418,025	301,280
Income tax expense	(125,876)	(90,980)
Profit for the year	292,149	210,300
Attributable to		
Owners of the Bank	292,078	209,969
Non-controlling interests	71	331
Profit for the year	292,149	210,300
Other comprehensive income, net of tax		
Items that may be subsequently be reclassified to profit or loss:		
Fair value gain/(loss) on debt instruments at FVOCI – net of tax	(228)	(257)
Total comprehensive income for the year	291,921	210,043
Attributable to:		
Owners of the Bank	291,850	209,712
Non-controlling interests	71	331
Total comprehensive income for the year	291,921	210,043
Basic and diluted earnings per share (TZS) 1	584.16	419.94

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	2021 *TZS Millions*	*2020* *TZS Millions*
Assets		
Cash and balances with Bank of Tanzania	1,484,029	1,047,488
Placements and balances with other banks	337,255	170,829
Loans and advances to customers	4,653,933	4,108,891
Investment in Government securities		
- At amortised cost	1,683,950	1,275,291
- At FVOCI	55,330	28,962
Equity investment at FVOCI	2,920	2,920
Other assets	115,995	68,641
Current tax assets	20,678	11,536
Property and equipment	192,890	215,715
Intangible assets	13,888	13,898
Right-of-use assets	26,754	28,850
Deferred income tax assets	93,799	85,610
Total assets	8,681,421	7,058,631
Liabilities		
Deposits due to other banks	408	131,224
Deposits from customers	6,662,889	5,325,450
Other liabilities	139,915	116,879
Lease liabilities	27,261	28,927
Provisions	1,309	971
Borrowings	423,190	252,715
Subordinated debt	71,025	71,025
Deferred income tax liability	858	295
Total liabilities	7,326,855	5,927,486
Capital and reserves		
Share capital	20,000	20,000
Retained earnings	1,330,019	1,106,441
Fair valuation reserve	564	792
Capital and reserves attributable to owners of the parent	1,350,583	1,127,233
Non-controlling interest	3,983	3,912
Total equity	1,354,566	1,131,145
Total equity and liabilities	8,681,421	7,058,631

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2022 *TZS Millions*	*2021* *TZS Millions*
Interest income	953,656	815,446
Interest expense	(164,020)	(135,606)
Net interest income	789,636	679,840
Impairment charge – loans and advances	(81,067)	(113,040)
Impairment charge– off-balance sheet exposures	(113)	(89)
Total impairment charge	(81,180)	(113,129)
Net interest income after impairment	708,456	566,711
Fee and commission income	419,189	323,432
Fee and commission expense	(94,260)	(74,891)
Net fee and commission income	324,929	248,541
Trading income	5,353	2,726
Foreign exchange income	48,071	33,583
Other income	23,779	20,988
Net operating income	1,110,588	872,549
Employee benefits expense	(266,296)	(243,679)
Other operating expenses	(175,489)	(149,090)
Depreciation and amortization	(53,638)	(61,755)
Total operating expenses	(495,423)	(454,524)
Profit before tax	615,165	418,025
Income tax expense	(183,493)	(125,876)
Profit for the year	431,672	292,149
Attributable to		
Owners of the Bank	431,531	292,078
Non-controlling interests	141	71
Profit for the year	431,672	292,149
Other comprehensive income, net of tax		
Items that may be subsequently be reclassified to profit or loss:		
Fair value gain/(loss) on debt instruments at FVOCI – net of tax	522	(228)
Total comprehensive income for the year	432,194	291,921
Attributable to		
Owners of the Bank	432,053	291,850
Non-controlling interests	141	71
Total comprehensive income for the year	432,194	291,921
Basic and diluted earnings per share (TZS)	863	584

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	2022 *TZS Millions*	*2021* *TZS Millions*
Assets		
Cash and balances with Bank of Tanzania	1,551,341	1,484,029
Placements and balances with other banks	186,941	337,255
Loans and advances to customers	6,014,603	4,653,933
Investment in government securities		
- At amortised cost	1,915,254	1,683,950
- At FVOCI	28,778	55,330
Equity investment at FVOCI	2,920	2,920
Other assets	200,868	115,995
Current tax assets	3,882	20,678
Property and equipment	175,137	192,890
Intangible assets	18,290	13,888
Right-of-use assets	27,063	26,754
Deferred income tax assets	109,475	93,799
Total assets	10,234,552	8,681,421
Liabilities		
Deposits due to other banks	12,445	408
Deposits from customers	7,594,832	6,662,889
Other liabilities	148,206	139,915
Lease liabilities	30,586	27,261
Provisions	2,079	1,309
Borrowings	749,354	423,190
Current tax liabilities	5,602	-
Subordinated debt	-	71,025
Deferred income tax liability	1,418	858
Total liabilities	8,544,522	7,326,855
Capital and reserves		
Share capital	20,000	20,000
Retained earnings	1,664,821	1,330,019
Fair valuation reserve	1,086	564
Capital and reserves attributable to owners of the parent	1,685,907	1,350,583
Non-controlling interest	4,123	3,983
Total equity	1,690,030	1,354,566
Total equity and liabilities	10,234,552	8,681,421

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2023 *TZS Millions*	*2022* *TZS Millions*
Interest income	1,179,592	953,656
Interest expense	(242,354)	(164,020)
Net interest income	**937,238**	**789,636**
Credit/(charges) - loans and advances	(84,350)	(81,067)
Credit/(charges) - other	(85)	(113)
Total credit/(charges)	**(84,435)**	**(81,180)**
Net interest income after impairment	**852,803**	**708,456**
Fee and commission income	469,306	419,189
Fee and commission expense	(102,819)	(94,260)
Net fee and commission income	**366,487**	**324,929**
Realized gain on Investment Securities	7,527	5,353
Foreign exchange income	65,835	48,071
Other income	28,531	23,779
Total operating income	**1,321,183**	**1,110,588**
Employee benefits expense	(297,923)	(266,296)
Other operating expenses	(199,015)	(175,489)
Depreciation and amortization	(49,444)	(53,638)
Total operating expenses	**(546,382)**	**(495,423)**
Profit before tax	**774,801**	**615,165**
Income tax expense	(229,594)	(183,493)
Profit for the year	**545,207**	**431,672**
Attributable to		
Owners of the Bank	544,890	431,531
Non-controlling interests	317	141
Profit for the year	**545,207**	**431,672**
Other comprehensive income, net of tax		
Items that may subsequently be reclassified to profit or loss:		
Fair value gain on debt instruments at FVOCI - net of tax	464	522
Total comprehensive income for the year	**545,671**	**432,194**
Attributable to:		
Owners of the Bank	545,354	432,053
Non-controlling interests	317	141
Total comprehensive income for the year	545,671	432,194
TZS/share TZS/share		
Basic and diluted earnings per share	1,089.78	863.06

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	2023 *TZS Millions*	*2022* *TZS Millions*
Assets		
Cash and balances with Bank of Tanzania	1,340,934	1,551,341
Placements and balances with other banks	336,759	186,941
Loans and advances to customers	7,706,925	6,014,603
Investment securities		
- At amortised cost	2,245,260	1,915,254
- At FVOCI	28,345	28,778
Equity investment at FVOCI	2,920	2,920
Other assets	145,701	200,868
Current tax assets	10,969	3,882
Property and equipment	180,846	175,137
Intangible assets	37,347	18,290
Right-of-use assets	25,232	27,063
Deferred income tax assets	118,324	109,475
Total assets	**12,179,562**	**10,234,552**
Liabilities		
Deposits due to other banks	15,008	12,445
Deposits from customers	8,465,608	7,594,832
Other liabilities	194,044	148,206
Lease liabilities	28,844	30,586
Provisions	2,431	2,079
Borrowings	1,380,193	749,354
Current tax liabilities	-	5,602
Deferred income tax liability	857	1,418
Total liabilities	**10,086,985**	**8,544,522**
Capital and reserves		
Share capital	20,000	20,000
Retained earnings	2,066,586	1,664,821
Fair valuation reserve	1,550	1,086
Capital and reserves attributable to owners of the parent	**2,088,136**	**1,685,907**
Non-controlling interest	**4,441**	**4,123**
Total equity	**2,092,577**	**1,690,030**
Total equity and liabilities	**12,179,562**	**10,234,552**

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2024 *TZS Millions*	*2023* *TZS Millions*
Interest income	1,366,006	1,179,592
Interest expense	(307,599)	(242,354)
Net interest income	**1,058,407**	**937,238**
Impairment charge - loans and advances	(85,068)	(84,485)
Impairment charge - other	(2,403)	50
Total impairment charge	**(87,471)**	**(84,435)**
Net interest income after impairment	970,936	852,803
Fee and commission income	574,762	469,306
Fee and commission expense	(135,396)	(102,819)
Net fee and commission income	**439,366**	**366,487**
Realized gain on investment securities	4,831	7,527
Foreign exchange income	110,758	65,835
Other income	23,786	28,531
Total operating income	**1,549,677**	**1,321,183**
Employee benefits expense	(335,656)	(297,923)
Other operating expenses	(226,694)	(199,015)
Depreciation and amortization	(56,037)	(49,444)
Total operating expenses	**(618,387)**	**(546,382)**
Profit before tax	**931,290**	**774,801**
Income tax expense	(284,397)	(229,594)
Profit for the year	**646,893**	**545,207**
Attributable to		
Owners of the Bank	646,530	544,890
Non-controlling interests	363	317
Profit for the year	**646,893**	**545,207**
Other comprehensive income, net of tax		
Items that may subsequently be reclassified to profit or loss:		
Fair value gain on debt instruments at FVOCI - net of tax	500	464
Total comprehensive income for the year	**647,393**	**545,671**
Attributable to:		
Owners of the Bank	647,030	545,354
Non-controlling interests	363	317
Total comprehensive income for the year	**647,393**	**545,671**
	TZS/share	TZS/share
Basic and diluted earnings per share	1,293.79	1,089.78

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	2024 *TZS Millions*	*2023* *TZS Millions*
Assets		
Cash and balances with Bank of Tanzania	1,450,570	1,340,934
Placements and balances with other banks	905,687	336,759
Derivative financial instruments	14,721	–
Loans and advances to customers	8,498,677	7,706,925
Investment securities		
- At amortised cost	2,180,270	2,245,260
- At FVOCI	78,339	28,345
- At FVPL	10,154	–
Equity investment at FVOCI	4,233	2,920
Other assets	173,278	145,701
Current tax assets	9,508	10,969
Property and equipment	182,662	180,846
Intangible assets	65,889	37,347
Right-of-use assets	22,382	25,232
Deferred income tax assets	139,320	118,324
Total assets	**13,735,690**	**12,179,562**
Liabilities		
Deposits due to other banks	73	15,008
Deposits from customers	9,564,222	8,465,608
Derivative financial instruments	2,956	–
Other liabilities	211,639	194,044
Lease liabilities	24,298	28,844
Provisions	2,779	2,431
Borrowings	1,369,504	1,380,193
Deferred income tax liability	839	857
Total liabilities	**11,176,310**	**10,086,985**
Capital and reserves		
Share capital	20,000	20,000
Retained earnings	2,532,526	2,066,586
Fair valuation reserve	2,050	1,550
Capital and reserves attributable to owners of the parent	**2,554,576**	**2,088,136**
Non-controlling interest	4,804	4,441
Total equity	**2,559,380**	**2,092,577**
Total equity and liabilities	**13,735,690**	**12,179,562**

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

APPENDIX 2: TBL COMPANY LTD FINANCIAL STATEMENTS OF 2020 – 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2020 *TZS Millions*	*2019* *TZS Millions*
Revenue	961,886	1,025,960
Cost of sales	(597,121)	(628,290)
Gross profit	364,765	397,670
Selling and distribution costs	(131,231)	(118,688)
Administrative expenses	(61,070)	(50,258)
Other expenses	(9,073)	(7,623)
Fair value loss on derivatives	-	(1,031)
Operating profit	163,391	220,070
Finance income	5,797	2,777
Finance costs	(4,363)	(1,349)
Profit before income tax	164,825	221,498
Income tax expense	(75,739)	(71,286)
Profit for the year	89,086	150,212
Attributable to:		
Non-controlling interests	9,280	6,552
Owners of the parent	79,806	143,660
	89,086	150,212
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Gain on re-measurement of defined benefit plan	53	308
Deferred tax on re-measurement of defined pension benefit plan	(16)	(92)
Total comprehensive income:	89,123	150,428
Attributable to:		
Non-controlling Interests	9,282	6,550
Equity holders of company	79,841	143,878
	89,123	150,428
Basic earnings per share (Tshs)	270	487
Diluted earnings per share (Tshs)	270	487

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

TBL STATEMENT OF FINANCIAL POSITION

	2020 *TZS Millions*	*2019* *TZS Millions*
ASSETS		
Non-current assets		
Property, plant and equipment	488,349	542,214
Intangible assets	43,696	43,334
Right-of-use assets	12,540	10,302
Investments	88	88
Deferred income tax asset	7,052	6,419
	551,725	602,357
Current assets		
Derivative financial instruments	-	32
Inventories	108,299	112,726
Trade and other receivables	92,592	100,439
Restricted bank balance	38,300	38,300
Bank and cash balances	155,925	85,574
	395,116	337,071
Total assets	946,841	939,428
EQUITY		
Capital and reserves attributable to owners of the parent		
Share capital	29,506	29,506
Share premium	45,346	45,346
Retained earnings	442,991	410,359
Other reserves	66,643	66,643
	584,486	551,854
Non-controlling interests	23,149	13,867
Total equity	607,635	565,721
LIABILITIES		
Non-current liabilities		
Deferred income tax liability	36,589	35,705
Lease liability	9,377	4,900
Defined pension benefits	1,496	1,933
	47,462	42,538
Current liabilities		
Provisions	12,469	12,862
Trade and other payables	268,527	298,367
Current income tax payable	5,547	12,915
Lease liability	5,201	5,811
Borrowings	-	1,214
	291,744	331,169
Total liabilities	339,206	373,707
Total equity and liabilities	946,841	939,428

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2021 *TZS Millions*	*2020* *TZS Millions*
Revenue	**1,015,447**	961,886
Cost of sales	**(626,510)**	(597,121)
Gross Profit	**388,937**	364,765
Selling and distribution costs	**(114,309)**	(131,231)
Administrative expenses	**(71,516)**	(61,070)
Other expenses	**(23,938)**	(9,073)
Operating Profit	**179,174**	163,391
Finance income	**2,847**	5,797
Finance cost	**(7,761)**	(4,363)
Profit before income tax	**174,260**	164,825
Income tax expense	**(39,503)**	(75,739)
Profit for the year	**134,757**	89,086
Attributable to:		
Non-controlling interests	**5,672**	9,280
Owners of the parent	**129,085**	79,806
	134,757	89,086
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Gain on re-measurement of defined benefit plan	**108**	53
Deferred tax on re-measurement of defined pension benefit	**(32)**	(16)
Total comprehensive income	**134,833**	89,123
Attributable to:		
Non-controlling interests	**5,674**	9,282
Equity holders of Company	**129,159**	79,841
	134,833	89,123
Basic Earnings per share (TZS)	**437**	270
Diluted earnings per share (TZS)	**437**	270

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

TBL STATEMENT OF FINANCIAL POSITION

	2021 TZS Millions	*2020 TZS Millions*
ASSETS		
Non-current assets		
Property, plant and equipment	**446,337**	488,349
Intangible assets	**44,745**	43,696
Right-of-use assets	**12,051**	12,540
Investments	**88**	88
Deferred income tax asset	**11,395**	7,052
	514,616	551,725
Current assets		
Inventories	**122,953**	108,299
Trade and other receivables	**129,395**	92,592
Restricted bank balance	**38,300**	38,300
Bank and cash balances	**224,635**	155,925
	515,283	395,116
Total assets	**1,029,899**	946,841
EQUITY		
Capital and reserves attributable to owners of the parent		
Share capital	**29,506**	29,506
Share premium	**45,346**	45,346
Retained earnings	**496,911**	442,991
Other reserves	**66,643**	66,643
	638,406	584,486
Non-controlling interests	**28,823**	23,149
Total equity	**667,229**	607,635
LIABILITIES		
Non-current liabilities		
Deferred income tax liability	**15,471**	36,589
Lease liability	**8,745**	9,377
Defined pension benefits	**1,630**	1,496
	25,846	47,462
Current liabilities		
Provisions	**26,316**	12,469
Trade and other payables	**297,131**	268,527
Current income tax payable	**7,699**	5,547
Lease liability	**5,678**	5,201
	336,824	291,744
Total liabilities	**362,670**	339,206
Total equity and liabilities	**1,029,899**	946,841

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2022	***2021***
	TZS Millions	***TZS Millions***
Revenue	**1,139,448**	1,015,447
Cost of sales	**(674,500)**	(626,510)
Gross profit	**464,948**	388,937
Selling and distribution costs	**(139,633)**	(114,309)
Administrative expenses	**(87,358)**	(71,516)
Other expenses	**(20,419)**	(23,938)
Operating profit	**217,538**	179,174
Finance income	**12,668**	2,847
Finance costs	**(15,692)**	(7,761)
Profit before income tax	**214,514**	174,260
Income tax expense	**(61,143)**	(39,503)
Profit for the year	**153,371**	134,757
Attributable to:		
Non-controlling interests	**9,766**	5,672
Owners of the parent	**143,605**	129,085
	153,371	134,757
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Gain on re-measurement of defined benefit plan	**(459)**	108
Deferred tax on re-measurement of defined pension benefit	**138**	(32)
Total comprehensive income:	**153,050**	134,833
Attributable to:		
Non-controlling Interests	**9,756**	5,674
Equity holders of Company	**143,294**	129,159
	153,050	134,833
Basic earnings per share (Tshs)	**486**	437
Diluted earnings per share (Tshs)	**486**	437

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

STATEMENT OF FINANCIAL POSITION

	2022 *TZS Millions*	*2021* *TZS Millions*
ASSETS		
Non-current assets		
Property, plant and equipment	**438,635**	446,337
Intangible assets	**43,835**	44,745
Right-of-use assets	**9,068**	12,051
Investments	**88**	88
Deferred income tax asset	**12,240**	11,395
	503,866	514,616
Current assets		
Inventories	**115,469**	122,953
Trade and other receivables	**103,497**	129,395
Restricted bank balance	**38,300**	38,300
Bank and cash balances	**361,569**	224,635
	618,835	515,283
Total assets	**1,122,701**	1,029,899
EQUITY		
Capital and reserves attributable to owners of the parent		
Share capital	**29,506**	29,506
Share premium	**45,346**	45,346
Retained earnings	**554,639**	496,911
Other reserves	**66,643**	66,643
	696,134	638,406
Non-controlling interests	**38,579**	28,823
Total equity	**734,713**	667,229
LIABILITIES		
Non-current liabilities		
Deferred income tax liability	**1,503**	15,471
Lease liability	**4,663**	8,745
Defined pension benefits	**2,414**	1,630
	8,580	25,846
Current liabilities		
Provisions	**26,405**	26,316
Trade and other payables	**335,789**	297,131
Current income tax payable	**10,967**	7,699
Lease liability	**6,247**	5,678
	3,79,408	336,824
Total liabilities	**387,988**	362,670
Total equity and liabilities	**1,122,701**	1,029,899

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2023 *TZS Millions*	*2022* *TZS Millions*
Revenue	**1,272,254**	1,139,448
Cost of sales	**(836,419)**	(690,942)
Gross profit	**435,835**	448,506
Selling and distribution costs	**(114,580)**	(139,839)
Administrative expenses	**(75,610)**	(73,322)
Impairment of financial assets	**(562)**	206
Other expenses	**(20,999)**	(20,419)
Operating profit	**224,084**	215,132
Finance income	**27,564**	12,668
Finance cost	**(32,964)**	(13,286)
Net finance cost	**(5,400)**	(618)
Profit before income tax	**218,684**	214,514
Income tax expense	**(75,224)**	(61,143)
Profit for the year	**143,460**	153,371
Attributable to:		
Owners of the parent	**128,790**	143,605
Non-controlling interests	**14,670**	9,766
	143,460	153,371
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Loss on re-measurement of defined benefit plan	**(735)**	(459)
Deferred tax on re-measurement	**221**	138
Total other comprehensive income	**(514)**	(321)
Total comprehensive income	**142,946**	153,050
Attributable to:		
Owners of the parent	**128,267**	143,294
Non-controlling interests	**14,679**	9,756
	142,946	153,050
Basic Earnings per share (TZS)	**437**	487
Diluted earnings per share (TZS)	**437**	487

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

TBL STATEMENT OF FINANCIAL POSITION

	2023 TZS Millions	*2022 TZS Millions*
ASSETS		
Non-current assets		
Property, plant and equipment	**482,163**	438,635
Intangible assets	**42,696**	43,835
Right-of-use assets	**12,304**	9,068
Deferred income tax asset	**11,994**	12,240
Investments in associates and subsidiaries	**88**	88
	549,245	503,866
Current assets		
Inventories	**112,454**	115,469
Trade and other receivables	**99,337**	103,497
Income tax receivable	**290**	-
Restricted bank balance	**38,300**	38,300
Bank and cash balances	**524,919**	361,569
	775,300	618,835
Total assets	**1,324,545**	1,122,701
EQUITY		
Capital and reserves attributable to owners of the parent		
Share capital	**29,506**	29,506
Share premium	**45,346**	45,346
Retained earnings	**682,906**	554,639
Other reserves	**66,643**	66,643
	824,401	696,134
Non-controlling interests	**53,258**	38,579
Total equity	**877,659**	734,713
LIABILITIES		
Non-current liabilities		
Deferred income tax liability	**2,904**	1,501
Lease liability	**5,342**	4,663
Employee benefit obligations	**3,519**	2,414
	11,765	8,578
Current liabilities		
Provisions	**25,565**	26,405
Trade and other payables	**401,544**	335,791
Current income tax payable	**-**	10,967
Lease liability	**8,012**	6,247
	435,121	379,410
Total liabilities	**446,886**	387,988
Total equity and liabilities	**1,324,545**	1,122,701

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2024 *TZS Millions*	*2023* *TZS Millions*
Continuing operations:		
Revenue from contracts with customers	**1,467,458**	1,272,254
Cost of sales	**(949,390)**	(836,419)
Gross profit	**518,068**	435,835
Selling and distribution costs	**(131,216)**	(114,580)
Administrative expenses	**(92,843)**	(75,610)
Impairment losses on financial assets	**(3,152)**	(562)
Other (expenses)/income	**(15,135)**	(20,999)
Operating profit	**275,722**	224,200
Finance income	**29,129**	27,564
Finance cost	**(73,204)**	(32,964)
Net finance cost	**(44,075)**	(5,400)
Profit before income tax	**231,647**	218,800
Income tax expense	**(68,573)**	(75,224)
Profit for the year from continued operations	**163,074**	143,576
Continuing operations:		
Loss from discontinued operations (attributable to equity holders of the company)	**(76)**	(116)
Profit for the year	**162,998**	143,460
Profit Attributable to:		
- Owners of the parent	**130,844**	128,790
- Non-controlling interests	**32,154**	14,679
	162,998	143,460
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Gain (Loss) on re-measurement of defined benefit plan	**567**	(735)
Deferred tax on re-measurement	**(170)**	221
Total other comprehensive income	**397**	(514)
Total comprehensive income	**163,395**	142,946
Total comprehensive income for the period is attributable to:		
- Owners of the parent	**131,239**	128,267
- Non-controlling interests	**32,156**	14,679
	163,395	142,946
Total comprehensive income attributable to owners of the parent arises from:		
- Continuing operations	**131,315**	128,383
- Discontinued operations	**(76)**	(116)
	131,239	128,267
Earnings per share*		
Basic Earnings per share (TZS)	**445**	435
Diluted earnings per share (TZS)	**445**	435

Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 11 | November 2025 -Peer-Reviewed Journal

STATEMENT OF FINANCIAL POSITION

	2024 *TZS Millions*	*2023* *TZS Millions*
ASSETS		
Non-current assets		
Property, plant and equipment	**470,044**	482,163
Intangible assets	**42,077**	42,696
Right-of-use assets	**17,400**	12,304
Deferred income tax asset	**16,700**	11,994
Investments	**88**	88
	546,309	549,245
Current assets		
Inventories	**134,673**	112,454
Trade and other receivables	**129,401**	99,336
Current income tax receivable	**-**	291
Restricted bank balance	**38,300**	38,300
Cash and cash equivalents	**512,530**	524,919
	814,904	775,300
Total assets	**1,361,213**	1,324,545
EQUITY		
Capital and reserves attributable to owners of the parent		
Share capital	**29,506**	29,506
Share premium	**45,346**	45,346
Retained earnings	**655,700**	682,906
Other reserves	**66,643**	66,643
	797,195	824,401
Non-controlling interests	**85,414**	53,258
Total equity	**882,609**	877,659
LIABILITIES		
Non-current liabilities		
Deferred income tax liability	**-**	2,904
Lease liability	**7,038**	5,342
Employee benefit obligations	**3,234**	3,519
	10,272	11,765
Current liabilities		
Provisions	**25,674**	25,565
Trade and other payables	**430,079**	401,544
Current income tax payable	**1,363**	-
Lease liability	**11,216**	8,012
	468,332	435,121
Total liabilities	**478,604**	446,886
Total equity and liabilities	**1,361,213**	1,324,545