THE RELATIONSHIP BETWEEN CAPITAL STRUCTURE AND DIVIDEND PAYOUT AMONG NON-FINANCIAL FIRMS LISTED AT THE NAIROBI SECURITIES EXCHANGE

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE IN MASTER OF BUSINESS ADMINISTRATION, FACULTY OF BUSINESS AND MANAGEMENT SCIENCE, UNIVERSITY OF NAIROBI
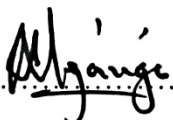
2021

DECLARATION

This research project is my original work and has not been presented for a degree in any other University.

Signed... ~~Nawafyo~~ .... Date......25/11/2021.........

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DEDICATION

This work is dedicated to my loving wife Jedidah Wacuka, my loving mum Jemimah Ruguru, my Aunt Nancy Gitau not forgetting my two sons Karani and Mutegi for their unwavering moral and financial support, encouragement, and love throughout my studies.

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LIST OF ABBREVIATIONS

DPR - Dividend Payout Ratio

EPS - Earnings Per Share

LLC - Levin-Lin-Chu unit test

MM - Modigliani and Miller

NSE - Nairobi Securities Exchange

ROA - Return on Assets

ROE - Return on Equity

SPSS - Statistical Package for the Social Sciences

VIF - Variance Inflation Factors

ABSTRACT

Capital structure and dividend payment decisions allow companies to reduce their weighted average capital cost and maintain a particular amount of capital for specific commitments. However, after the major contributions of Modigliani and Miller, the literature on dividend policy and capital structure remains a mystery. The correlation between capital structure and corporation's value is controversial both empirically and theoretically. In Kenya, most non-financial corporations have lagged shareholder expectations, sparking shareholder apathy, and contributing to a decline in their performance, resulting in volatile and low dividend payments. At the NSE, around 75% of the quoted corporations have not paid a dividend from 2014 and another 15 corporations have reduced their dividend per share. Thus, this aimed at determining the relationship between capital structure and dividend payout among non-financial firms listed at the NSE. The Modigliani-Miller theory, agency theory, and the pecking order theory were discussed as key study's theories. The research adopted a descriptive research approach and undertook a census of the 45 non-financial publicly traded companies as of 31 December 2020 at the NSE. Data was gathered from the audited yearly accounting reports for individual non-financial corporations. Thus, only secondary data was employed for the study. Data for 6-year period i.e., 2015 to 2020 was collected through a data collection sheet. Descriptive and statistical tools and the regression model was employed for data analysis. The results documented that capital structure had a negative and significant impact on DPR while profitability had a positive and significant effect on DPR on the quoted non-financial entities. The results further documented that firm growth had a positive and significant effect on DPR while liquidity had a negative but insignificant effect on the quoted non-financial corporations' dividend payout. The study concluded that capital structure, profitability and firm growth significantly affect dividend payout by non-financial corporations quoted at NSE.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Capital structure and dividend payments are the utmost vital and interconnected topics in the history of financial literature (Khan, Ahsan & Malik, 2016). Capital structure decisions are considered key to paying dividends to a company, ensuring business continuity and growth (Abbas, Hashmi & Chishti, 2016). Achieving the eventual aim of increasing a company's shareholder wealth requires a capital structure and dividend payment policies (Saif et al., 2017). Financing policy decisions are based on capital structure and dividend policy (Ahmed et al., 2020). Excessive control is in the hands of investors when the company uses high profits and low capital. On the other hand, if a company uses less debt and higher capital, it pays a little more profit and manage it in the hands of managers (Rehman, 2016).

This study was based on Modigliani and Miller's (MM), the pecking order and agency theories. The MM theory argues that payments and capital structure decisions are irrelevant because they do not create or destroy shareholder value. If the investment decision is made consistently, the payment of dividends will lead to a reduction in capital gains and maintain the overall wealth of shareholders (Jinadu & Opeyem, 2017). The agency's theory suggests that both dividend policy and capital structure are a covert management mechanism that determines how much management has control over its shareholders (Sakr & Bedeir, 2020). The pecking order theory states that dividend payments decrease the amount of

retained earnings hence mangers go for debt financing thus a direct association among debt ratio and dividends is anticipated (Akhtar, 2018).

Nairobi Securities Exchange (NSE) as a securities market entity plays a vital responsibility in the pursuit of economic progress (Kimani, 2016). NSE supports the centralization of domestic savings and redirects funds to active agents. The liquidation of long-term investments is carried out by facilitating the transfer of securities between shareholders (Sang et al., 2015). The Exchange creates a platform for the exchange of financial assets (shares, bonds) in accordance with established procedures to ensure continuous liquidity in the market (Aroni, Namusonge & Sakwa, 2014). The market has helped inform the public about the need to invest in the stock market and increased investor confidence by requiring listed companies to publish financial statements (Kadu & Oluoch, 2018).

1.1.1 Capital Structure

Capital structure is the only mixture of share capital and debt that an entity firmly employs to fund its operations (Jinadu & Opieem, 2017). A corporate structure of capital is an amalgamation of short and long-term equity, leverage and other resources used to invest in long-term assets (Rahman, 2016). Financial structure is a financial system made up of debt and funds used to finance activities (Arulvel and Ajanthan, 2013). The capital structure includes equity and debt that are necessary for the operation of listed companies (Kasim and Rasheed, 2015). The capital structure also reflects how the company invests its assets in a blend of equity, debt or gross value. An entity capital structure denotes the structure of its liabilities (Abbas, Hashemi & Chishti, 2016).

Capital structure is considered an important financial factor because it refers to a company's ability to meet the needs of different shareholders (Sari and Patrisia, 2020). The capital structure plays a vital part in how an entity finances its activities and growth from a variety of sources (Arulvel and Ajanthan, 2013). Capital structure is a vital part of corporate financial management to create the most appropriate debt policy (Effendi, Putri, & Dunga, 2019). The decision on the capital structure is important for securing support funds and monitoring the obligations of creditors. Therefore, it is necessary to plan and plan further activities. If a company currently has higher debt, certain tax protection may benefit it, but in the future, it could put pressure on higher interest rates (Jiranyakul & Jiang, 2013).

Many companies use a combination of leverage and equity to build their capital structure. Thus, leverage is the mostly used measure at the capital structure (Sari and Patrisia, 2020). Debt ratio is a signal that determines the financial benefits of a corporation's assets and recognizes the entity ability to meet its financial commitments (IJiranyakul & Jiang, 2013). The rating reflects the willingness of managers to finance jobs on credit rather than shares (Isfahani and Jafar, 2013). The higher this ratio, the higher the corporation's ability to repay interest and lend (Efendi, Putri & Dungga, 2019). Capital structure was proxied by the debt/assets ratio.

1.1.2 Dividend Payout

Dividend payout are annual payments conveyed to shareholders and paid based on their balance sheets at the end of the year (Sakr & Bedeir, 2020). Dividend payment refers to the amount the firm dispatches to its shareholders as dividends (Jinadu & Opieem, 2017). Dividend payout are the ratio between the aggregate cash dividends distributed to ordinary

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shareholders and the net profit of the shareholders (Khan, Ahsan, & Malik, 2016). The dividend payout policy is an organization's decision to supply some or all of its profits to stakeholders in the form of dividends or to return some or all of its profits to companies (Orajekwe & Okegbe, 2020). Dividend payments give investors information about the company's profits and the return-on-investment opportunities (Ahmad & Muqaddas, 2016).

Dividend policy should be the maximum financial policy for companies as it is an effective control tool to reduce conflicts of interest between directors and shareholders, as directors prefer profits when shareholders are interested in dividends. (Okegbe, 2020). The company's dividend policy determines how much dividends are distributed to shareholders and how much is left for new investments (Ahmed et al., 2020). Dividends are important because managers must decide on the amount of cash to be provided to shareholders based on the financial and investment status of companies (Sinaga, 2016). Dividends are important to financiers because they are regarded as a sign of an entity's financial well-being (Jinadu & Opeyem, 2017).

The two most common dividend measures are the ratio of payment and the return on dividend. Both methods provide reliable statistics, but dividend payments are measured differently. The rate of dividend payment is expressed as the percentage of profits the company can share with shareholders (Ahmed et al., 2020). The dividend ratio is expressed as the percentage of the firm's profits disseminated to shareholders (Ahmed et al., 2020). Dividend ratio is the quotient between dividend and EPS (Jinadu & Opieem, 2017). The dividend payout ratio helps us determine the company's future growth prospects. It also provides information on the company's dividend policy (Sinaga, 2016). Dividend yield can be defined as the yield divided by the market value of common shares (Khan, Ahsan, &

Malik, 2016). Dividend yield is affected by external factors, taking into account the share price (Hellström & Inagambaev, 2012).

1.1.3 Capital Structure and Dividend Payout

Dividend policy decisions and capital structure decisions are interrelated (Saif et al., 2017). For example, agency theory states that paying more dividends decreases internal cash flow and requires the entity to pursue external financing out of control and disciplinary influence from capital market and investment professionals (Al Yahyaee, 2006). The pecking order theory states that companies that choose to rely on retained earnings or internal funds rather than financial leverage tend to pay small dividends and have more retained earnings (Rehman, 2016). Miller and Modigliani's theory states that dividend and capital structure policies do not increase or decrease shareholder wealth in a complete and perfect capital market unless they change companies' investment policies (Jiranyakul & Jiang, 2013).

Khan, Ahsan and Malik (2016) empirically examined the effects of financing structure and dividend policy in Pakistan and identified negative interactions between the structure of capital and dividend payments. Jinadu and Opey (2017) examined the influence of financing structure on payout ratios and documented a direct interrelationship between funding and payout decisions. Qasim and Rashid (2015) investigated whether the capital structure influences the payment of dividends and found that a greater participation of capital in the capital structure leads to higher payments. Jiraniakul and Jiang (2013) discovered that the structure of funding significantly influenced dividend payments of quoted firms on the New York Securities market and the Shanghai Stock Exchange.

1.1.4 Non-Financial Firms Listed at the Nairobi Securities Exchange

The Nairobi Securities Exchange (NSE) is a public bourse that issues various securities in Kenya (Kadu & Oluoch, 2018). The objective of the NSE is to facilitate the trading of securities, debt instruments, derivatives and other related instruments. The NSE is responsible for the company's listing on the stock exchange and allows venture capitalist to trade the company's securities, so it is responsible for the health of the stock market (Kimani, 2016). The highest regulatory authority is the Capital Market Supervisory Authority (Aroni, Namusonge & Sakwa, 2014). NSE non-financial corporations are divided into eight sectors. Here they are; Agricultural, Trade and Services, Automobiles and Accessories, Telecommunications and Technology, Investments, manufacturing, petroleum and energy and the construction and allied (Murekefu & Ouma, 2012).

The NSE offers an ideal marketplace that offers international investors the opportunity to be exposed to the Kenyan economy, and as a multi-listed company expands beyond the Kenyan border, it operates as an entrance to the regional economy (Mwangi, Makau & Kosimbei, 2014). The most common resources available to companies in the NSE are equity and debt. The prime blend of equity and debt upturns the company's profits and leads to higher dividend payments (Kadu & Oluoch, 2018). However, the share base of companies listed on the NSE has recently increased significantly. Random observation shows that leverage ratios decreased significantly, although return on equity improved significantly (Maina & Ishmail, 2014).

At NSE, one of the top priorities of listed companies is to formulate a well-prepared dividend payment policy. Such makes the dividends payment policy deserve momentous management attention. Payout policy remains a key financing policy, not only from a

corporate perspective, but also from the perspective of shareholders, consumers, regulators and employees. Most NSE listed entities pay semi-annual dividends. There are no legal requirements that require entities to use a specific split payment schedule. However, the distribution of dividends is controlled by some legal restrictions, for example, capital dividends should be paid only during liquidation (Rono, 2020).

1.2 Research Problem

Capital structure and dividend policy are the utmost business decisions (Rahman, 2016). Dividend and capital structure decisions allow companies to reduce their weighted average capital cost and maintain a particular amount of capital for specific commitments (Khan, Ahsan, & Malik, 2016). Aligning capital structure and dividend policy with corporate strategy is an important task that requires critical analysis (Khan, Ahsan, & Malik, 2016). However, after the major contributions of Modigliani and Miller (1958), the literature on dividend policy and funding structure remains a mystery. The correlation between the structure of capital and corporation's value is controversial both empirically and theoretically (Rahman, 2016). In addition, there are many contradictory theories to explain the structure of capital and dividend policy. These theories provide conflicting evidence of how dividends and capital structure affect firm value (Saif et al., 2017).

In Kenya, shareholders at the NSE invest in equities in the hope of generating revenue in terms of dividends, capital gains or bonus expenses (Murekefu & Ouma, 2012). Over the years, however, most non-financial corporations have lagged shareholder expectations, sparking shareholder apathy, and contributing to a decline in their performance, resulting in volatile and low dividend payments (Yasin & Wepukhulu, 2019). Jepkemoi et al. (2019) estimates that more than 75% of entities had not paid a dividend from 2014 and another 15

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corporations have reduced their dividend per share. In addition, the NSE has documented several corporate failures related to corporate financing decisions over the past 10 years (Mwangi, Makau & Kosimbei, 2014). According to Ater (2017), many of the problems faced by companies listed on the NSE are mainly attributed to the financing of the situation, which has resulted to a shortfall of wealth and investor self-confidence in the stock market.

Many authors have studied the relationship between local and global capital structures and dividend payments. In the international context, Abbas, Hashemi, and Chishti (2016) studied the relationship between Pakistan's dividend distribution and capital structure and found a significant positive correlation, but the context of the study was manufacturing firms. Ahmed et al. (2020) reviewed the association between Nigeria's structure of capital and payout policy and recorded a negative and significant relationship, but the study identified multinational firms. Saif et al. (2017) examined the link involving the banking entities funding structure and dividend payments. In this study's context, it was documented that increasing leverage had a direct impact on dividends.

In the local context, Kimani (2016) reviewed the link between capital structure and dividend payout and recorded a significant negative correlation, but the study included both financial and non-financial companies. Similarly, Mworia (2016) studied the connection between capital structure and dividend payout and established a negative association among capital structure and dividend payout, but the research includes both financial companies and non-financial companies. According to peer-reviewed research, there exists lots of wealth of literature on capital structure and dividend payments. However, the results presented were mixed and unconvincing. Furthermore, these studies did not provide specific answers to the problems of capital structure and dividend policy, as these surveys

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were carried out in diverse contexts and used various methods and measures, which resulted in different lack of experience. Therefore, this study attempts to examine, Does capital structure affect dividend payout of non-financial companies in the NSE?

1.3 Research Objective

To determine the relationship between capital structure and dividend payout among non-financial firms listed at the Nairobi Securities Exchange.

1.4 Value of the Study

This study shall be of significance to the administration of non-financial companies trading at NSE, which, based on the research outcomes, will propose effective dividend payments and decisions on the capital structure of their companies. The survey will as well determine whether dividend and funding structure resolutions are relevant and how they impact the value of non-financial corporations, which will help company managers decide whether to focus on these two decisions.

Policy makers for example the Kenyan Capital Markets Authority (CMA) and the NSE are developing policy mechanisms for capital structure and dividend payments to listed companies in Kenya. Policy makers can also use the study's recommendations to improve the performance of publicly traded non-financial corporations.

The study will further complement the available empirical literature on dividend payment and capital structure decisions. The research shall also suggest areas that may require additional research by prospective authors and investigators. Finally, the study will add on to the MM Theory, the agency theory and the pecking order theories.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section entails an overview of empirically validated research theories, an overview of dividend determinants, and an overview of previous research in the empirical literature. This chapter further introduces the study's conceptual model and a finally, the literature review summary.

2.2 Theoretical Review

The Modigliani-Miller theory, agency theory, and the pecking order theory were discussed as key theories for the study.

2.2.1 Modigliani-Miller Theory

Modigliani and Miller (1958 & 1963) form the basis of the independence of the capital structure, while Miller and Modigliani (1961) form the basis of the independence of proportional representation. MM (1958) is based on certain assumptions, such as tax evasion, bankruptcy rates, market efficiency, and unequal information, so that the firm's worth and its capital structure are unrelated (Hellström & Inagambaev), 2012). MM (1963) shows that in the presence of corporate taxes, credit sources are more profitable for the organization because they have the advantage of making a profit from the tax protection of shareholder interest (Saif et al., 2017). MM (1961) states that shareholding policy does not increase or decrease shareholder assets in a fully-fledged market until corporate investment policy does not change (Jiranyakul & Jiang, 2013).

MM's view is that in a perfect world, capital structure and production have nothing to do with the value of a company (Ahmad & Muqaddas, 2016). According to Miller and Modigliani, investors should ignore whether they are earning a current profit or receiving future capital gains (Griffin, 2010). MM concludes that the shareholding policy and capital structure are not relevant because they do not influence the company's value because they are fully in control of a particular market without the cost of transactions and unscrupulous investors (Yusuf, 2019). Although this view has been criticized by many because it only operates in a world of convenience, in fact the company's value is governed by many factors such as institutional issues, information inequality, bankruptcy costs, tax issues, and future problems in the industry. (Rehman, 2016).

According to MM, a company may have more, meaning it can decide to keep its assets if there is more investment, so the company's valuation will be the same as the share price, which will not change (Al Yahyaee, 2006). If the company decides to pay the dividends, the shares are reduced by the amount corresponding to the shares paid. Stakeholders do not incur losses, but the company's value decreases as the company pays less (Hellström & Inagambaev, 2012).). The MM argument implies that no matter how much care managers take in selecting their firm's dividend policy, the selected capital structure policy has no beneficial impact on stockholders wealth. In short, dividends are irrelevant. The relevance of the MM theory for this study is that managers should concentrate on investment decisions and not the payout and financing decisions.

2.2.2 Agency Theory

Jensen and Meckling (1976) conceptualized this model that expounds that when owners and manager have dissimilar views, there will be conflicts, as the manager can implement

projects, acquisitions or expansions, thus harming shareholder wealth and excessive bonuses, thus creating an agency problem. The theory assumes that the cost of the agency can be reduced by increasing the share of managers in the company, thus balancing the interests of managers and owners (Ismawati, 2018). Agency theory states that due to the separation and control of ownership, managers (agents) do not continuously have to act in a manner that benefits the employer. Therefore, financiers will bear the cost of the management behavior control agency (Dbrowska & Sawicka, 2020).

The agency's view believes that the dividend policy is defined by the institution's costs due to differences in possession and control. Executives do not always have a share policy that increases the number of shares, but they open a share policy that increases personal income. Therefore, reducing dividend payments to the free cash flow of directors will make sure that managers capitalize on shareholder's wealth rather than use resources for personal gain (Hellström and Inagambaev, 2012). If the company has to pay dividends even if it does not have enough profits, agency problems can be reduced. In this case, the creditor acts as the supervisory unit to exert supervisory pressure on corporate governance (Ahmad & Muqaddas, 2016).

The theory holds that high indebtedness is a control tool because it limits management's discretion to conduct nonprofit activities by reducing free cash flow under its control. On the other hand, dividend payout can also be used to reduce agency costs (Khan, Ahsan & Malik, 2016). The theory in this research supports that dividends and interest payments reduce the free cash flow that managers can use to invest in low net present value projects and for management support purposes. Thus, shareholders reduce excessive investment by managers by use dividends. It also supports the theory that capital markets provide an

effective supervisory mechanism for companies to reduce basic over-consumption, and thus the agency's problem.

2.2.3 Pecking Order Theory

This theory as conceptualized by Myers (1984), Myers, and Majluf (1984) indicates that mangers have more access to private information as compared to investors. Further, it presumes that mangers have a logical order in which they finance their investments (Akhtar, 2018). The theory is that companies prefer to invest in their revenue projects first. If the profits collected are not enough, companies go into debt because they think the debt is cheaper than their capital. The last resort is for managers to raise more capital by producing shares. Companies use this order because the cost of the investment does not depend on the revenue generated and does not require the disclosure of financial information. Conversely, external sources, such as leverage and share capital, are very expensive (Khan, Ahsan & Malik, 2016).

The theory suggests that skewed data and transaction costs are greater than the forces that determine optimum leverage in settlement models. To reduce these financing outlays, companies first preferred to fund their investments through cash flows. Borrowed capital will only be used in the following order if residual funding is required; First, secure debt, then risky debt and finally the issuance of shares (Rehman, 2016). For this reason, managers are often reluctant to pay dividends. Conversely, when a company pays dividends on a regular basis and in significant amounts, this leads to a reduction in free cash flow. As a result, additional external resources will be needed, which means that in this situation, the company will seek external financing to maintain an optimal capital structure (Nuhu, 2014).

Pecking order theory describes managers' preference for internal financing over external financing (Saif et al., 2017). The theory is that corporations with great growth forecasts have higher investment demands and can pay lower dividends (Yusuf, 2019). The theory is that companies that pay high dividends are experiencing low growth. The company's equity ratio increases as more profits are maintained. However, if a company has a large payout, it may be necessary for the financing to take place through debt (Sakr & Bedeir, 2020). This study supports the theory that decisions about capital structure affect a company's dividend policy. When a company require more debt to invest in its undertakings, it is less possible to pay dividends to its stakeholders.

2.3 Determinants of Dividend Payout

This section will preview profitability, firm growth and liquidity as the main factors affecting dividend payment by non-financial firms.

2.3.1 Profitability

Profitability denotes an entity's ability to break even and measure the profitability and operating profitability of assets (Sinaga, 2016). Profit has always been the most important gauge of a firm's ability to pay dividends. Given that dividends are regularly paid in yearly profits, it makes sense that for-profit companies can pay more dividends (Nuhu, 2014). An established and profitable company usually pays dividends, while a non-profit company does not make a profit. The company maintains and increases dividend payments while being able to successfully manage cash flow (Gusni, 2017). Higher ROE and ROA tend to align with higher dividend payout (Dbrowska & Sawicka, 2020).

Companies with higher profitability make sufficient profits and are more likely to maintain profits. According to the hierarchy of order theory, highly profitable companies can pay dividends (Al Yahyaee, 2006). Signaling theory assumes that managers use dividends to signal external shareholders about the company's future prospects or profitability because they have asymmetric information about the company. Companies can signal their future profitability or lower amount by paying dividends. Companies that do not see a steady increase in profits have difficulty mimicking these signals. Companies that have suffered losses are anticipated to adversely influence on the decision to pay dividends (Dbrowska & Sawicka, 2020.

2.3.2 Firm Growth

The growth of a company shows how investors respect companies, so that investors are willing to invest their capital in the company (Sari & Patrisia, 2020). When a company sees potential growth opportunities in the future, it seeks to maintain profits in the company. Retained earnings are the easiest source of financing available, which is why companies seek to finance their growth opportunities with retained earnings. Greater dependence on in-house sources of funding reduces the value of dividend profits and vice versa (Akhtar, 2018). A company that grows by investing, even if it is profitable, pays fewer dividends and instead pays dividends on securities because it is reluctant to return that money to finance viable businesses (Al Yahyaee, 2006).

In general, the distribution of dividends to shareholders by high-growth companies is stable. Growth is a signal for shareholders who have companies with high growth potential (Hussain, 2016). The correlation between firm growth and dividend payments is also supported by signal theory, which states that an increase in sales growth sends a positive

signal to the market that it will increase dividend growth (Khan, Ahsan and Malik, 2016). The theory remains that companies with high growth potential pay less than companies with low growth. Therefore, high-growth firms use a small fraction of their income as dividends to meet their investment demands (Hellström & Inagambaev, 2012).

2.3.3 Liquidity

Liquidity denotes the fact that the availability of high-quality liquidity funds is sufficient to meet short-term liquidity needs in a given scenario of severe stress (Ahmed, 2015). Liquidity measures the short-term solvency of the firm based on the firm's cash and cash equivalents. Liquidity is one of the vital elements affecting the verdict or behavior of dividend policy (Griffin, 2010). The firm's liquidity position is important in determining whether a firm will be able to finance its working capital and in pointing to cash flow difficulties that typically occur when its current liabilities are greater than current assets when it has a liquidity position. The company is neither good nor profitable because it cannot pay cash dividends (Akhtar, 2018).

Companies with a good liquidity position are expected to pay high dividends compared to companies with liquidity problems (Griffin, 2010). Liquidity levels and the level of short-range assets influence the decision on payouts in the company. Large cash quantities can be reflected in the retained earnings distribution in terms of payout to stakeholders or in company equity as a component of reinvestment (Dbrowska & Sawicka, 2020). According to agency theory, companies with strong liquidity can pay higher dividends than companies with deficient liquidity. The Agency's view indicates that high-income companies pay extra dividends to reduce disputes between executives and owners (Hosain, 2016).

2.4 Empirical Review

Sakr and Bedeir (2020) investigated whether dividend payment affects entities capital structure. Data was gathered from 62 nonfinancial companies quoted on the Egyptian securities bourse between 2003 and 2016. In this study, regression analysis showed that the interrelationship between operating funding structure and business profitability on both sides was significant and positive.

Yassin and Wipocholo (2019) surveyed whether capital structure influences the decision to pay dividends to listed companies in New York. The regression equation was employed for data analysis that was data gathered from 64 NSE companies from 2014 to 2018 (5 years). The survey documented that a negative interrelation existed between leverage and payment of dividends. The authors also demonstrated that there exists a slightly direct link between decisions on internal capital payments and profits. In short, the increase in national capital will significantly increase the decision on dividends.

Ismawati (2018) scrutinized whether funding structure affects Indonesian corporations dividend payment. The study collected data from a panel of companies from 2010 to 2015. The authors used a variety of data analysis. Research has shown that financing structure affects a company's value to some degree but share policies do not significantly affect a company's value. At the same time, the structure of capital and payout decisions affected the company's value.

Rahman (2016) explored whether dividend policy affects funding structure of quoted corporations in Pakistan. This author collected the secondary data from 2006 to 2013 and analyzed the data using a consistent outcome model. Research shows that monetary policy

and equity policy have a greater effect on a company's value. The study also found that power, company growth, stocks and shares had a greater impact on a company's value.

Sinaga (2016) investigated the capital structure, corporate growth and their influence on corporate value. The study used data from 13 palm oil companies listed in Indonesia between 2007 and 2011. Using a retrospective model, the survey established that the structure of funding significantly impacted profits and business value, while business growth had a negative impact on earnings and income. Payout decisions have a positive and tangible impact on profits, but they have a negative impact on the value of corporations.

Andiema and Atieno (2016) assessed the effects of dividend policy on capital structure and the wealth of shareholder for commercial banks listed on the NSE. The authors conducted a descriptive study and gathered data through questionnaires from 32 participants from 11 listed banks in Kenya. A study with a regression model showed that dividend policy in deciding on the capital structure significantly affects the wealth of shareholders in banks listed on the NSE.

Sang et al. (2015) studied whether capital structure affects NSE listed firms dividend policy. In this survey, the data used were collected from 16 listed companies in related industries and industries, and the data were analyzed using retrospective analysis. Research has shown a significant correlation between the variables. The outcomes represents a strong negative correlation between credit rating and dividends and a weak negative correlation between reserves and profits.

Banerjee and De (2015) evaluated how the structure of capital affects the payout ratio of quoted corporations in India. The survey covered period before recession as from 2001 to

2007 and the period after recession as from 2007 to 2013. Using a logistic regression equation to analyze the study, it was found that asset growth and profitability significantly affected the pre-recession payout ratio, while the profitability capital structure significantly affected the payout ratio.

Ngojuna and Jagongo (2015) reviewed the factors of the dividend payment rate of listed companies in Kenya. This study uses the original data from the questionnaire and secondary data retrieved for the entity' accounting reports from 1998 and 2014. The outcome of the regression analysis demonstrates that the availability of profitable investments, including existing and future profitability, cash flow, funding needs and orders, are key criteria for determining the payment of dividends to companies. Further, the entity's size, age and the industry category had a little effect on the company's dividend policy.

Kingwara (2015) used the Tobit regression model to examine the effect of six aspects that have been exhibited to impact the dividend policy of companies in industrialized states and companies operating in Kenya. It can be seen that the dividend payment rate is positively affected by the growth rate, the company's debt ratio, the market value ratio and the retained income ratio over total assets. The results of this research will help investors manage their investment portfolios and financial managers formulate dividend policies to maximize shareholder wealth.

2.5 Conceptual Framework

The conceptual model is a brief description of the phenomenon that is studied through the graphic or graphic description of the key variables of the research (Kothari, 2012). This

study includes independent variables (capital structure) and dependent variables (dividend payout). The study included three control variables: profitability, sustainable growth, and liquidity.

Independent variable   **Dependent variable**
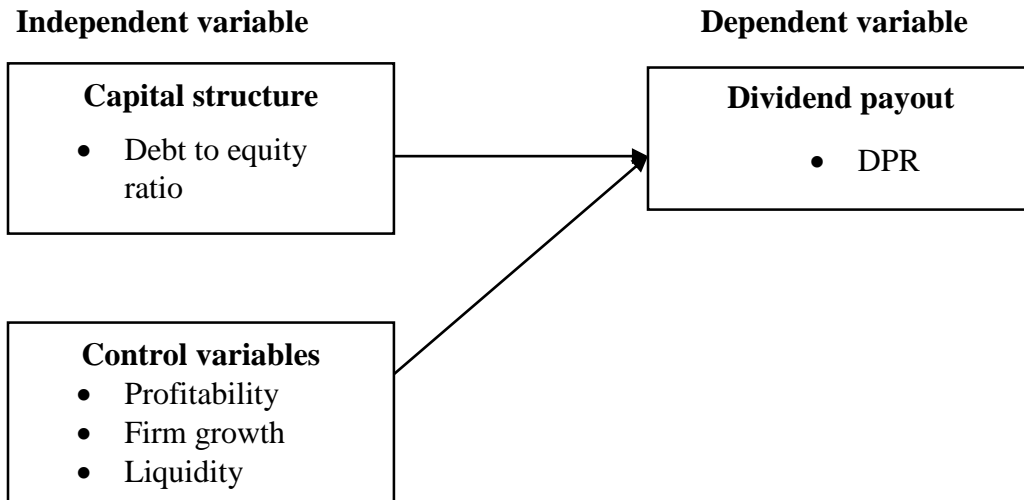
Figure 2.1: Conceptual Framework

Source: Author (2021)

2.6 Summary of Literature Review

This study examined several global and local studies which have been undertaken by various authors on capital structure as well as dividend payout. Studies by Yasin and Wepukhulu (2019), Ismawati (2018), Rehman (2016) focused on both financial and nonfinancial listed firms. Sinaga (2016) in Indonesia however concentrated on oil palm plantation companies while Sang et al (2015) in Kenya examined firms listed under the industrial and allied segments. Andiema and Atieno (2016) examined commercial banks listed at NSE and used primary data collected through questionnaires while Njuguna and Jagongo (2015) focused on all firms and used both primary and secondary data.

Further, Banerjee and De (2015) and Kingwara (2015) used the logistic regression model to compared dividend determinants among dividend paying and non-dividend paying

companies. The reviewed studies though covered capital structure and dividend payout clearly bring out various empirical literature gaps. First, the studies present mixed findings with some indicating significant and other indicating insignificant relationships. Secondly, the studies were carried out in different contextual setting which may lead to varying results since different industrial segments have different financing structures and different dividend payout policies. Third, the studies were under through varying methodologies with some studies using primary data compiled by means of questionnaires and other secondary data from the firms accounting reports. This study presents several gaps that require an assessment of the association between capital structure and dividend payout in non-financial corporations trading at NSE.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Methodology is a collection of agreed-upon processes, methods, and tools used to achieve a goal. In particular, the chapter presents research designs, the study population, data collection, diagnostic tests, and data analysis methods.

3.2 Research Design

The study design is the structure or strategy for undertaking out a study project. It expounds the prerequisite approaches for obtaining the required information to construct or solve the study problem (Malhotra, 2010). This research employed a descriptive research approach. This approach is used to examine variables without manipulating them and to report the various attributes that define competencies. Descriptive research design is essential for discovering and measuring cause-and-effect relationships between variables. Descriptive design provides a qualitative description of trends, perceptions and attitudes of the examined sample population.

3.3 Population of the Study

Cooper and Schindler (2008), define population as the sum of all factors that share some common characteristics and form a universe for research purposes. As of December 31, 2020, there were 45 non-financial public entities at the NSE. This research therefore undertook a census of the 45 non-financial publicly traded companies as of 31 December

2020 at the NSE. A census approach was considered since the population was not large, was limited and easily accessible.

3.4 Data Collection

Data was collected from the audited annual accounting reports for individual non-financial corporations. Thus, only secondary data was employed. Data for 6-year period i.e., 2015 to 2020 was gathered through a data collection sheet. The most important data that was gathered included data on capital structure (debt/assets ratio), dividends (DPR), profitability (ROA), growth and liquidity of companies.

3.5 Diagnostic Tests

The key diagnostic tests involved normality, heteroscedasticity, autocorrelation, multicollinearity and stationarity tests. The study evaluated normality using the Shapiro Wilk test in which a non-significant result (p value>5%) was considered a sign for normality. The assumption of normality is also necessary for the linear regression model so as to conduct joint or single hypothetical tests of model parameters (Baltagi, 2008).

The study also assessed for heteroscedasticity, which requires that the standard deviation or variance of the response variable in the group to be equal through the Breusch-Pagan test. The study further tested for autocorrelation, which occurs when the error terms of the observation pair are not independent of each other the Breusch/Godfrey autocorrelation test where an insignificant p value indicated that there exists no auto-correlation. The study also assessed for multicollinearity, which is the state of high interrelationships between independent variables, or an occurrence where two or several prediction variables are

highly inter-correlated in a multivariate regression model using the variance inflation factors (VIF).

3.6 Data Analysis

Descriptive and inferential statistics were used for analyzing the data collected. The study used SPSS version 26 of the statistical software. Descriptive statistical tools, for instance; minimum, standard deviation, mean and maximum, were employed to summarize the data collected. Correlation and multiple regression were the inferential tools used to evaluate the relationship between variables.

3.6.1 Analytical Model

The regression model was formulated as follows

$$Y = \beta_\circ + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Where;

Y = Dividend payout measured using the dividend payout ratio

X_1 = Capital structure proxied using the debt to assets ratio

X_2 = Profitability proxied through the return on assets (ROA)

X_3 = Firm growth measured through the sale growth ratio

X_4 = Liquidity proxied by the current ratio

$\beta_\circ$ = Constant,

$\beta_1 - \beta_4$ = Coefficients

ε = Probable Error

3.6.2 Test of Significance

The t-test and the F-test were used to test the significance of the change in the information

and response rates. The statistical significance tests were done at a 5% significance level.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND INTERPRETATION

4.1 Introduction

This section depicts the findings and outcomes of the analysed data. The section thus entails the response rate results, the summary statistics results and the descriptive statistics results. The chapter also presents correlation and regression analysis outcomes and lastly a study results discussion.

4.2 Response Rate

This research undertook a census of the 45 non-financial publicly traded companies as of 31 December 2020 at the NSE. A census approach was considered since the study's population was not large, was limited and easily accessible. Data for 6-year period i.e., 2015 to 2020 was gathered through a data collection form. The researcher was able to gather complete data from 35 non-financial publicly traded companies. The 35 institutions led to a 77.7% response rate, which was considered enough as it exceeded 50%.

4.3 Descriptive Statistics

Descriptive statistics such as the mean, minimum, standard deviation (SD) and maximum values were adopted for summarizing the collected research data. Table 4.1 displays the results.

Table 4.1: Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	SD
DPR	210	.000	3.571	.28531	.377303
Capital structure	210	.000	.817	.12858	.162151
Profitability	210	-.694	.367	.03877	.123375
Firm growth	210	-6.796	1.203	-.07928	.550268
Liquidity	210	-7.987	14.199	2.65473	2.991856

Source: Study Data (2021)

Table 4.1 indicates that dividend payout (DPR) had an average value of 0.28531(SD=0.377303) with minimum and minimum values of .000 and 3.571 respectively. This implies the mean DPR for the corporations was 0.28531 with the minimum value of 0.000 signifying that some firms had not paid dividends in some of the years. Capital structure had a mean of 0.12858 (SD=0.162151) whose lowest and highest values were 0.000 and 0.817 correspondingly. This implies that the firms' average leverage to assets ratio was 0.12858 with the minimum of 0.000 specifying that some corporations did not have debt. Profitability had a mean of 0.03877(SD=0.123375) whose lowest and maximum values were -0.694 and 0.367 correspondingly. Further, firm growth had a mean of -0.07928(SD=0.550268) with lowest and highest values of -6.796 and 1.203 in that order. Liquidity had a mean of 65473(SD=2.991856) with minimum and maximum value of -7.987 and 14.199 correspondingly.

4.4 Diagnostic Tests

This research undertook a test for normality, heteroscedasticity test, a test for autocorrelation and a test for multicollinearity.

4.4.1 Normality Test

The Shapiro-Wilk test of standardized residuals was employed for normality testing as follows

Table 4.2: Normality Test

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Standardized Residual	.068	210	.139	.957	210	.182

a. Lilliefors Significance Correction

Source: Study Data (2021)

The normality assumption determines how likely it is for the data set to be distributed normally as variables that not normally distributed can distort relations and tests of significance. The results on table 4.2 indicates that the gathered data was asymmetrical as the P values of 0.139 and 0.182 were greater than 0.05 respectively.

4.4.2 Heteroscedasticity Test

Homoscedasticity was tested through the Breusch-Pagan heteroscedasticity test. The outcomes were depicted as follows

Table 4.3: Heteroscedasticity Test

Breusch-Pagan Heteroscedasticity Test
OLS, using observations 1-210
Test statistic: LM=0.385345,
with a p-value=P(Chi-square(4) > 0.385345) = 0.534756

Source: Study Data (2021)

The results on table 4.3 shows that the Chi-square P-value of 0.534756<0.05 hence a suggestion that the data set was homoscedastic. Thus, the homoscedasticity supposition has not been violated.

4.4.3 Autocorrelation Test

The Durbin Watson test was employed for autocorrelation testing. The outcomes were as follows.

Table 4.4: Autocorrelation Test

Model	Durbin-Watson (DW)	Cut off criteria
1	1.638	1.5>DW<2.5

Source: Study Data (2021)

Autocorrelation arises when residuals in different periods are not independent of each other. The findings on table 4.4 indicates that the DW statistics was 1.638, which oscillates between the commended statistical threshold values of 1.5 and 2.5. This finding indicates the absence of autocorrelation.

4.4.4 Multicollinearity Test

Multicollinearity was assessed through the variance inflation factors (VIF). The outcomes were documented as follows.

Table 4.5: Multicollinearity Test

Variable	Tolerance	VIF
Capital structure	.756	1.324
Profitability	.898	1.113
Firm growth	.973	1.028
Liquidity	.805	1.242

Source: Study Data (2021)

Multicollinearity arises when the input variables fail to be autonomous of each other. The collinearity outcomes on table 4.5 indicate that the VIFs (1.324, 1.113, 1.028 and 1.242) are below the recommended threshold value of 10. This shows that the dataset does not contain multicollinearity and that the multicollinearity assumption has not been violated.

4.5 Correlation Analysis

Correlation was undertaken to assess the degree and strength of association between the research variables. The findings were as follows

Table 4.6: Correlation Matrix

	DPR	Capital structure	Profitability	Firm growth	Liquidity
DPR	1				
Capital structure	-.183[**]	1			
Profitability	.310[**]	-.286[**]	1		
Firm growth	.122	-.052	.154[*]	1	
Liquidity	.064	-.438[**]	.137[*]	.077	1

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Study Data (2021)

Table 4.6 depicts that capital structure had weak and negative (r=-0.183) correlation with dividend payout (DPR) while profitability had a positive (r=0.310) and weak correlation with dividend DPR by the listed non-financial firms. Firm growth had a positive and weak (r=0.122) correlation with DPR while liquidity had a weak positive (r=0.064) correlation with DPR of the listed non-financial firms. All the calculated correlation values have not exceeded 0.7 hence an indication that multicollinearity does not exist in the data set.

4.6 Regression Analysis

Regression was employed for assessing the link between the independent variables (capital structure), the control variables (firm growth, profitability and liquidity) and the response variable (dividend payout). The obtained findings were depicted as follows

4.6.1 Model Summary

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.334[a]	.112	.094	.359040

a. Predictors: (Constant), Liquidity , Firm growth, Profitability, Capital structure

b. Dependent Variable: DPR

Source: Study Data (2021)

Table 4.8 displays that capital structure, liquidity, firm growth and profitability explains 11.2% of the variation of the sampled firm's profitability. This is shown by the R square value (coefficient of determination) of 0.112 (11.2%). The results therefore indicates that 88.8% of the variation is accounted for by variables not under the study's consideration.

4.6.2 Analysis of Variance

Table 4.9: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	3.326	4	.832	6.451	.000[b]
1	Residual	26.426	205	.129		
	Total	29.753	209			

a. Dependent Variable: DPR

b. Predictors: (Constant), Liquidity , Firm growth, Profitability, Capital structure

Source: Study Data (2021)

Table 4.9 illustrated that regression model was fit and appropriate for the study. This was indicated by F-statistics (6.451) which is statistically significant (P-value=0.000<0.05) correspondingly.

4.6.3 Regression Coefficients

Table 4.10: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	.301	.049		6.157	.000
	Capital structure	-.266	.067	-.114	-3.970	.000
1	Profitability	.823	.212	.269	3.876	.000
	Firm growth	.053	.018	.077	2.944	.003
	Liquidity	-.004	.009	-.029	-.389	.698

a. Dependent Variable: DPR

Source: Study Data (2021)

Table 4.10 shows that capital structure had a negative (B=-0.266) and significant (P-Value=0.000<0.05) impact on DPR while profitability had a positive (B=0.823) and significant (P-value=0.000<0.05) impact on DPR on the listed non-financial firms. The outcomes further document that firm growth had a positive (B=0.053) and significant (P-value=0.003<0.05) impact on DPR while liquidity (B=-0.004) had a negative but insignificant (P-value=0.698>0.05) impact on the listed non-financial firms' dividend payout.

4.7 Interpretation of the Findings

The findings indicated that there was a negative and significant link between capital structure and dividend payout. This infers that a unit rise in debt in the non-financial firms'

capital structure significantly reduces the amount of dividends payable hence the dividend payout ratio. In support of the findings Khan, Ahsan and Malik (2016) documented an adverse link between capital structure and dividend payments. Ahmed et al. (2020) documented a negative and significant relationship, but the study identified multinational firms. Kimani (2016) documented a significant negative correlation. However, Jinadu and Opey (2017) documented a direct linkage between capital and payout ratios.

The findings also documented that profitability had a direct and significant effect on dividend payout. This implies that a unit rise in profit levels significantly increases the amount of dividend payable hence the dividend payout ratio. According to Nuhu (2014), an established and profitable company usually pays dividends, while a non-profit company does not make a profit. The company maintains and increases dividend payments while being able to successfully manage cash flow. Gusni (2017) also documented that higher ROE and ROA tend to align with higher dividend payout.

The results also revealed that firm growth significantly affected the corporations' dividend payout. This implies that a unit growth of the entity in terms of revenue significantly increases the amount of dividend payable hence the dividends payment. According to Hussain (2016), the distribution of dividends to shareholders by high-growth companies is stable. Growth is a signal for shareholders who have companies with high growth potential. In addition, the correlation between firm growth and dividend payments is also supported by signal theory, which states that an increase in sales growth sends a positive signal to the market that it will increase dividend growth (Khan, Ahsan & Malik, 2016).

The results further indicated that entity size insignificantly but negatively influenced the firms' payout decisions. This means that a unit increase in firm size in terms of assets does

not have a significant impact on the amount of dividend payable as well as the dividend payout ratio. According to Griffin (2010), companies with a good liquidity position are expected to pay high dividends compared to companies with liquidity problems. The liquidity and short-term assets level influences entity's dividends payout.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the research findings, highlights the study's conclusions and the recommendations. The section also indicates the study limitations and the suggested areas that may necessitate further review.

5.2 Summary

This study meant to determine whether capital structure influences dividend payout among non-financial corporations trading at NSE. The MM theory, agency theory, and the pecking order theory were discussed as key study theories. The research employed a descriptive research approach and undertook a census of the 45 non-financial publicly traded companies as of 31 December 2020 at the NSE. In this study, data was retrieved from the audited annual accounting reports for individual non-financial corporations. Thus, only secondary data was employed in the study. Data for 6-year period i.e., 2015 to 2020 was collected through a data collection sheet. Descriptive and statistical tools and the regression model was employed for analyzing data. The study was able to gather complete data from 42 non-financial publicly traded companies that led to a 93.3% response rate.

The descriptive analysis results revealed that the average DPR for the sampled corporations was 0.28531 with the minimum value of 0.000 indicating that some entities had not paid dividends in some of the years. The study also indicated that capital structure had an average value of 0.12858 hence an indication that the average leverage to assets ratio of the entities was 0.12858 with a minimum value of 0.000 showing that some corporations

had a nil debt. The average values for profitability (ROA), firm growth and liquidity were 0.03877, -0.07928 and 2.991856 respectively.

Correlation results documented that capital structure had a negative connection with dividends payment (DPR) while profitability had a weak and positive connection with dividend DPR by the listed corporations. The study also revealed that corporations growth had a positive (r=0.122) association with DPR wherea liquidity had a weak positive correlation with DPR of the listed non-financial firms.

Regression analysis results documented that capital structure had a negative and significant impact on DPR while profitability had a direct and significant effect on DPR on the quoted firms. The results further documented that firm growth had a direct and significant influence on DPR while liquidity had an adverse and insignificant influence on the quoted non-financial corporations' dividend payout.

5.3 Conclusions

The results acknowledged the existence of a negative and significant link between capital structure and dividend payout. The study based on this observation concludes that capital structure significantly and negatively affect dividend payout hence an increase in debt levels reduces the amount of dividend payable by listed nonfinancial firms at the NSE. Secondly, the findings indicated that profitability had a positive and significant impact on payment of dividends. The researcher thus concludes that profitability significantly increases the amount of dividend payable hence and increase in firms profitability significantly increase the amounts of dividends payable by NSE listed non-financial firms.

Further, the findings indicated that firm growth significantly affected the corporations' dividend payout. Therefore, this study concludes that firm growth in terms of revenue and sale increases the amount of dividend payable by NSE listed non-financial firms. Lastly, the study documented that entity size insignificantly but negatively affected the firms' dividend payout. The study grounded on this observation concludes that increase in size in terms of assets does not significantly influence the amount of dividends payable by listed non-financial corporations trading at NSE.

5.4 Recommendations

The findings indicated that capital structure significantly influenced the amount of dividend payable by the non-financial corporations. The study centered on this finding recommends that the listed non-financial corporations' management should make sure that they have optimal amount of leverage in proportion to their assets since debt attracts interest payments that in turn lead to reduction of earning thus reducing the amount of dividends to be paid.

Secondly, it was documented that profitability significantly and positively affected the DPR. This study thus recommends that the non-financial firms' management must make sure that they maximize their firms' profitability to ensure they have adequate amount to pay as dividends to stockholders.

Third, the study indicated that firm growth significantly affected the corporations' dividend payout. The research consequently recommends that the listed non-financial corporations' management should grow their companies in terms of sales and revenue to enhance the bottom line and earnings so at to increase the amounts to pay out as dividends.

Finally, the results indicated that entity size insignificantly affected the firms' dividend payout. This study nevertheless recommends that the quoted non-financial entities management should invest in more fixed assets to enjoy the benefits of economies of scales connected with large sized entities.

5.5 Limitations of the Study

This study was undertaken among listed non-financial firms in Kenya. The results therefore are limited to the research context and may not be applied to non-listed non-financial entities in Kenya. The research was also undertaken within Kenya; therefore, the conclusions may not be applicable to other states due to different capital structure requirements as well as different dividend payout polices in those countries. The study also measured the structure of capital using the debt to assets ratio while dividend payout was proxied by the DPR hence the study was limited to the adopted measures and indicators.

This study was also undertaken among quoted non-financial corporations at the NSE hence the findings may not be generalized to the insurance and the banking sectors, since their modes of operations are different, and their capital structure is highly regulated. The study also employed secondary which was collected for a 6 years period (2015-2020). Secondary data however is always lagged and may not explain the present state. Furthermore, secondary data fails to integrate the opinions of the management and other parties.

5.6 Suggestions for Further Research

This study concentrated on capital structure, liquidity, firm growth and profitability all of which jointly accounted for 47.1% of the deviation in the dependent variables (dividend payout). This means that there other variables which impact dividends payment by the

quoted non-financial corporations. This study thus recommends a similar study on other variables that may affect listed non-financial firms dividend payout.

This study also focused only on quoted non-financial companies at the NSE. However, financial entities, which comprise of insurance and commercial banks also pay dividends and have a financial structure although it is highly regulated. This study therefore recommends a similar research that will cover the listed financial entities at the NSE. A similar study can also be undertaken using primary data gathered through questionnaires of an interview guide from the management of the non-financial firms to obtain their views and opinions.

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APPENDICES

Appendix I: Non-Financial Firms Listed at the NSE

1. ARM cement
2. B.O.C
3. Bamburi Cement
4. BAT Kenya
5. Car and General
6. Carbacid
7. Centum Investment
8. Crown Paints
9. Deacons (East Africa)
10. E.A.Cables
11. E.A.Portland
12. Eaagads Ltd
13. EABL
14. Eveready
15. Express Ltd
16. Flame Tree
17. Home Afrika
18. Kakuzi
19. Kapchorua Tea
20. KenGen Ltd
21. Kenya Airways
22. Kenya Orchards
23. Kenya Power
24. Kurwitu Ventures
25. Limuru Tea
26. Longhorn Publishers Ltd
27. Mumias Sugar.
28. Nairobi Business Ventures
29. Nairobi Securities Exchange
30. Nation Media
31. Olympia Capital
32. Rea Vipingo Plantations
33. Safaricom PLC
34. Sameer Africa
35. Sasini Ltd
36. Scangroup
37. Williamson Tea
38. Unga Group
39. Umeme Ltd
40. Uchumi Supermarket
41. Trans-Century
42. TPS Eastern Africa
43. Total Kenya
44. Stanlib Fahari I-REIT
45. Standard Group

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by Irungu I Dickson Karan

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