

**Compliance of Corporate Governance practices
in Oil & Gas Sector with particular attention
goes to its influence on Return on Equity**

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ABSTRACT

Corporate Governance has become a major concern for investors these days as the companies having good governance practices are less likely to face uncertain jitters and they also continue to perform effectively in the best interest of stakeholders. The concept of corporate governance can be utilized to a great extent in making Pakistan a viable option for the investors to make capital investments and earn long term gains while, also enabling Pakistani firms to raise long term capital through raising their governance standards.

This study determines the relationship between corporate governance and an organization's profitability while taking the examples of listed companies of the Karachi Stock Exchange (KSE-100 index) in particular. The research would help the investors and investment analysts in making timely investment decisions while it would also help entrepreneurs, businessmen and the financial sector of Pakistan as a whole to learn the importance of Corporate Governance. This research addresses the stakeholders with significant findings on the impact of corporate Governance on a firm's profitability.

The research examines as to what extent the Corporate Governance affects a company's performance in terms of its return on equity (ROE) while; the level of corporate governance level is determined by its three variables (Board of Directors, Chief Operating Officer-Duality and Disclosure/Transparency). A sample of 11 companies from oil and gas sector.

Firstly, a detailed analysis of the literature review has been conducted to learn the importance of corporate governance factors in influencing the profitability of a company and after which we have examined the association of these determinants through carrying a descriptive statistics analysis, correlation and multiple regression analysis.

Keywords: Corporate Governance, Return on Equity (ROE), CEO-Duality.