Great Britain Journals Press

London Journal of Research in Management and Business
General Section

RESEARCH FINGERPRINT

IDENTIFIER
LJRMB-226290

PEER REVIEW
Double Blind

SIMILARITY CHECK
Perplexity AI and iThenticate

ACCESS
Open Access

LANGUAGE
English

PRINT ISSN
2633-2299

ONLINE ISSN
2633-2302

EDITION

ABBREVIATION
LJRMB

VOLUME
26

ISSUE
2

YEAR
2026

KEY DATES

RECEIVED
2026-03-11

ACCEPTED
2026-03-18

ONLINE PUBLISHED
2026-05-06

PUBLISHED
2026-07-06

CATALOGING

CROSSMARK DOI
10.34257/LJRMB226290UK

DDC CLASS
658.15

Article Record

A Review of the Strategic Approaches for Financial Performance Evaluation and Financial Distress Prediction Models of the Oil and Gas Companies in India and Oman

CORRESPONDENCE

AUTHORS & AFFILIATIONS

Dr. K S Suryanarayana ¶*

Director of Academics

¶ EIMR Business School, Bengaluru, India

ABSTRACT

One of the most prominent industries in the world is oil and gas which plays a major role in influencing the global economic scenario. The primary source of fuel all around the world is delivered by these industries. In general, financial statement analysis focuses on evaluating the performance of organizations that contribute to developing the economy or thriving in a highly competitive environment. The objective of the research is to examine the various approaches adopted by the researchers of recent times towards predicting the Financial Performance and Financial Distress of Oil and Gas Companies. An attempt is made by the researcher to identify the techniques through which financial distress and performance of the Oil and Gas Companies belonging to India and Oman are predicted. The research also has identified and proposed a few strategies that are to be adopted by the Oil and Gas Sector to improve their financial performance and stay sustainable in the market in the long run.

Index Terms: Oil and Gas Companies • India • Omana • Prediction of Financial Distress • Financial Performance

FUNDING
No external funding was declared for this work.

CONFLICTS
The authors declare no conflict of interest.

AI USAGE
No generative AI was used for analysis or results.

HOW TO CITE
Suryanarayana (2026). A Review of the Strategic Approaches for Financial Performance Evaluation and Financial Distress Prediction Models of the Oil and Gas Companies in India and Oman. London Journal of Research in Management and Business, 26(2), 8-14. DOI: 10.34257/LJRMB226290UK

ACCESS ONLINE

METADATA CONTINUATION

AUTHOR CONTACT QR LEDGER

Dr. K S Suryanarayana¶[I]*

ARCHIVAL RECORD

LJRMB · Vol 26 · Issue 2 · 2026

Article ID LJRMB-226290 · DOI 10.34257/LJRMB226290UK

Print ISSN 2633-2299 · Online ISSN 2633-2302

CROSSREF DOI 10.34257/LJRMB226290UK

REVIEW

A Review of the Strategic Approaches for Financial Performance Evaluation and Financial Distress Prediction Models of the Oil and Gas Companies in India and Oman

Dr. K S Suryanarayana[¶II*]

QUALIFICATIONS / ROLES

II Director of Academics

AFFILIATIONS

¶ EIMR Business School, Bengaluru, India

Abstract

One of the most prominent industries in the world is oil and gas which plays a major role in influencing the global economic scenario. The primary source of fuel all around the world is delivered by these industries. In general, financial statement analysis focuses on evaluating the performance of organizations that contribute to developing the economy or thriving in a highly competitive environment. The objective of the research is to examine the various approaches adopted by the researchers of recent times towards predicting the Financial Performance and Financial Distress of Oil and Gas Companies. An attempt is made by the researcher to identify the techniques through which financial distress and performance of the Oil and Gas Companies belonging to India and Oman are predicted. The research also has identified and proposed a few strategies that are to be adopted by the Oil and Gas Sector to improve their financial performance and stay sustainable in the market in the long run.

Keywords: *Oil and Gas Companies, India, Omana, Prediction of Financial Distress, Financial Performance*

Correspondence: Dr. K S Suryanarayana

1 Introduction

Prediction of financial distress has gained importance among the researchers because of its significance to the organizations, stakeholders, lenders, and investors. If the level of financial distress is high then it may lead to the closure of a business. Financial distress is a situation where an individual or firm cannot produce enough income or revenue. It is a situation in which an organization or an individual is not able to pay or meet its financial duty. This occurs because of nonperforming assets, revenue sensitivity, higher fixed costs that result in economic downturns. Signs of financial distress are cash flows, poor profits, falling margins, extended payment days, poor growth of sales or decline in revenues, bank relationships, problems in raising capital, and an increase in internet payments. Firms with a low concentration of ownership and low independence degree face financial distress. Factors that influence financial distress are the size of the firm, liquidity, solvency, risk and growth, and profitability [1]. Financial performance is an assessment of how well a company could adopt its resources and produce revenues. In general, the assessment of the overall financial performance of a company over a given period [2]. This paper has reviewed the various approaches adopted by the recent researchers for the prediction of financial distress and their performance focusing on Oil and Gas companies in India and Oman.

1.1 An overview of the Oil and Gas Sector in India

One of the essential sources of energy in an economy is the oil and gas (O&G) sector. In India, 40 percent of the source of energy is obtained from the O & G sector. India is the ninth biggest importer of crude oil and the fifth-biggest consumer of petrol. The petroleum sector in India plays a vital part in developing the rapid growth of the economy by contributing nearly 15 percent of the gross domestic product. As a result, the Oil and gas sector in India plays a vital role in impacting the economic decisions of the nation [3]. India is the 4th country that imports oil and petroleum after China, Japan, and the US. India has planned to spend $58 billion towards the upstream growth of oil and natural gas by 2023 [4]. Further India is also taking various measures to combat its energy requirement by evolving to different sources of renewable energy [5]. The economic and political scenario of any nation is influenced by the growth of its Oil and Gas sector.

1.2 An Overview of the Oil and gas sector in Oman

The largest Oil and Gas producer among the Middle Eastern countries is Oman. The Sultanate of Oman contains five billion oil reserves with a daily average production of around 970,000 barrels of crude oil as of 2015 [6] and at present, it has reached 110,00 barrels. In Oman, a major part of natural gas production is utilized for the extraction of oil. The economy of Oman highly relies upon the Oil and Gas sector as it contributes around 79 percent towards government revenues. Since the inception of the Oil and Gas sector, it acts as a pushing force for sustainable

elements for the growth of the Omani economy. O&G sector has also contributed generously towards national development by supporting the enhancement of infrastructure, education, healthcare services, and other areas of economic progress [7]. Oman for the past 50 years had witnessed remarkable growth in the economy. Especially, from the year 1999, the economy has seen tremendous growth due to the rise of oil prices. The maximum amount of income in Oman is obtained through its Oil and Gas companies. They contribute around 80% of the total income of the nation [8]. In Oman, local as well as international oil and gas companies extract and produce allied products of O&G where proper safety procedures are followed during the production activities. In recent times Oman is focussing on improving production to meet the growing demands in the future and also to invest in alternative business activities to increase other sources of income. At present Oman has invested around 4 billion dollars in projects related to gas development. A project named Liquefied Natural Gas, an alternative source of energy has been planned to be established in the year 2026 [9].

1.3 Definition of Financial Performance and Financial Distress

Financial Performance is the ability of assets belonging to the organization to in generating profits & returns with minimum debt and tax burden [10]. Financial Performance is measured as Return on Asset (ROA) which represents the financial performance in the short turn. The financial performance of an organization is essential for shareholders, investors, customers other stakeholders [11]. Financial distress is referred to as a circumstance when an organization is not able to meet its financial obligations. In case the organization is not able to meet its liabilities will negatively influence its stakeholders, which in turn will create a negative impact on a nation's economy. Financial distress leads an organization to bankruptcy when not managed properly. The identification of financial distress is significant for the survival of any business in the longrun [12].

2 Methodology

2.1 Data Collection

Data plays an important role in conducting research. The data can be collected from primary and secondary sources [13]. In this study, an extensive search of the literature is carried out to collect secondary data from numerous research articles that are peer-reviewed and that are published in high-quality indexed journals with good impact factors.

2.2 Quality Assessment

The collected research articles were assessed by two researchers who checked and verified the articles whether they could be utilized for literature review or not. A discussion was made to sort out the journals. Quality appraisal was carried out by the researchers to analyse the design of research, conceptual model, the variables used, methods used for measuring the variables, type of analysis carried out, and overall relevance to the study. The articles were categorized based on types like "yes, no, maybe, or can't decide". Then these articles were listed into ratings such as highly relevant, moderately relevant, and not relevant. The articles that are were found to be highly relevant and moderately relevant were selected for the study and others were not used in this study.

2.3 Search Strategy

Databases used for this search were high indexed journals like Springer, Elsevier, Sage, Inderscience, and Wiley. Keywords used in this research were financial distress, bankruptcy, financial performance, financial analysis, prediction of financial performance, prediction of financial analysis, Oil and Gas companies, India, Oman. The articles that have been published in the recent ten years alone were shortlisted in this research. Records searched through the database were in total 250. Duplicates removed were 128. Records screened were 122. Records excluded, based on abstract and titles were 34. Full-text articles excluded, with reasons were 36. Full-text articles included in this research are 26.

2.4 Criteria for Inclusions

> The inclusion criteria used to select the research articles are as follows:

1. Studies in which Financial Performance and Financial Distress were used as a variable.
2. Research articles with empirical studies were chosen.

> The studies which were carried out either in Oman or India was selected for the study

2.5 Exclusion Criteria

1. Research articles in which Financial Performance and Financial Distress of sectors other than Oil and Gas companies had been done were not chosen for this study.
2. The research was about the companies belonging to countries other than that India and Oman.

3 Results

3.1 Approaches for the Prediction of Financial Performance of Oil and Gas Companies in India

Ravindra and Rao [14] analyzed the financial performance of ONGC (Oil and Natural Gas Corporation) Videsh Ltd. (OVL), is a subsidiary of ONGC Ltd. In this study trend analysis and ratio analysis were utilized. A trend analysis was made keeping both short and long-term trends. In ratio analysis, structural ratios namely Debt-Equity ratio, total debt to assets ratio, and proprietary ratios were calculated.

Deepika and Dhivya [15] evaluated the financial performance using ratio analysis. The various ratios used in this study were profitability and solvency ratio. The author concluded that from the year 2012 to 2016 performance of oil and natural gas companies was satisfactory and their growth was found to be fluctuating.

Sharma and Agarwal [16] measured and compared the public sector and private sector in terms of their financial performance. The authors had adopted ratio analysis for the measurement of financial performance. It is found that the expense ratio and profitability ratio were given more importance in their research. Both the public sector and private sector were found to be performing in an equal manner without any significant difference in their performance.

Annavarpu and Arava [17] have explored the financial performance of Bharat Petroleum Corporation Limited using financial ratios. The authors had analysed the financial performance using Profitability ratios in terms of gross and net profit margins, capital turnover, and solvency capacity by collecting the annual reports of Bharat Petroleum Corporation Limited.

A study was carried out by Agrawal and Upadhyay [18] to analyze the financial performance during post and pre deregulation of Indian Oil Corporation (IOC). This research analyzed factors impacting deregulation on liquidity, solvency, and profitability of the firm and it is verified

by using ratio analysis. Before deregulation, IOC was tolerating losses often since prices were legalized by the Indian government. It provided financial support for Oil and Gas with high prices. After deregulation firms prevail over such circumstances gradually and short-term solvency and profitability of the firms are enhanced.

Ramya et al. [2] predicted the companies' financial position, solvency, and liquidity using ratio analysis. Different ratios like liquidity ratio, current ratio, turnover ratios, and absolute liquid ratio were used for measuring and evaluating financial performance. From the findings of their study, it was obvious that the firm had been performed well. At the same time, the firm has to concentrate on fulfilling its current liabilities. Therefore, firms have to concentrate on acquiring profits in the future by considering external and internal factors. When considering resources, the firm is suggested to adopt its assets appropriately.

Financial performance is ranked on Oil and Gas firms in India using the TOPSIS (*Technique for order of preference of similarity to ideal solution)* method. The computed ratio was changed to indicate the ranking performance of Oil and Gas firms by using TOPSIS and entropy method. In 2011, the highest-ranking firm is Hindustan Ltd, BPCL (2012), Gail (2013), and Petronet (2014, 2015). The lowest ranking was not the same every year [19].

Bansal et al. [20] compared the financial performance of global and Indian oil companies. Different ratios such as Earnings Ratio, Debt Equity ratios, Current and Acid Test Ratio, market value ratios, and activity ratios were used for measuring the financial performance of Global and Indian oil companies. When comparing liquidity ratios of selected firms, it was noticed that Cairn India and IOCL had perfect current ratios. It was observed that Cairn India had a maximum ratio in the acid test than other firms during 2010 to 2014 and it indicates the best liquidity positions of the firm.

Ahmad [21] in his study analysed the financial performance of HP (Hindustan Petroleum). This research collected secondary information. From the findings of the study, it was suggested that company management have to concentrate on profitability and liquidity position. Quick and current ratios do not have standard norms in the ratio of liquidity. The firm either minimizes current liabilities or maximizes its current assets. The research was conducted by Sheik and Scott [22] to study financial performance and analysis and Oil and Natural Gas Corporation (ONGC) from 2007 to 2012. One powerful and important tool for analyzing finance is trend analysis. Secondary data was used in this study. Financial analysis assists the firm to identify its financial soundness and profitability.

Das and Dey [23] analyzed the capital structure of Indian petroleum companies using a fund of shareholders to capital employed ratio, debt-equity ratio, and financial leverage. It was noticed that Indian petroleum industries are performing with minimal debt funds, particularly in ONGC, Oil India Limited, Numaligarh Refinery Limited. Thus, these companies have to raise costs it acquires the profits of capital at a low cost.

Lanjewar and Bansal [24] compared the financial performance of selected Oil and Gas companies in India. Ratios like profitability ratio, leverage ratio, liquidity ratio, and turnover ratio were adopted for measuring financial performance among selected Oil and Gas companies. When comparing financial ratios, SWPE (South West Pinnacle Exploration) indicates the average return on assets and average turnover and the high current ratio enhances the firm's financial strength. Hindustan oil exploration indicates the maximum inventory turnover ratio. Jindal exploration Industries Ltd explored the maximum ratio at profit earning.

In an interesting study conducted by Yogesh and Mahadevappa [25] to analyze the value-added ratios (VAR) of IOC. VAR is estimated by using value-added statements and ratio analysis. VAR is helpful to firms for measuring efficiency and productivity. Yasodha et al. [26] analyzed the financial position of IOC. Ratio analysis is used in this research. Different ratios like quick ratio, current ratio, profit ratios, basic earnings per share, debt ratio, absolute liquid ratio, return on equity, debt-equity ratio, and proprietary ratio. It was suggested that the firm has to minimize its expenses for achieving higher heights.

Sugumar and Prema [27] identified the financial position and liquidity of the IOC. It was carried out using statistical tools and ratio analysis. Long-term solvency and profitability were satisfactory. At the same time, the position of liquidity was weak and it is important to focus on solving its short-term solvency. Likewise, Bharathi and Ramya [28] studied profitability, liquidity for evaluating the position of IOC. The current ratio is enhanced, steps are to be carried out for enhancing the liquidity level. A firm's financial performance has to be monitored by taking appropriate decisions.

Table 1 illustrates approaches for the prediction of the financial performance of Oil and Gas companies in India.

3.2 Approaches for the Prediction of Financial Distress of Oil and Gas Companies in India

Sanesh [29] evaluated the financial position of NIFTY 50 companies that included Oil and Gas companies such as Bharat Petroleum, GAIL, ONGS, and reliance industries. The model used to predict was the Altman Z score. It is found that the Oil and Gas sector was not thriving at the time of this study when compared with other sectors.

Nandi et al. [30] analysed the financial distress to identify the probability of bankruptcy for 12 oil industries for 5 years. This study was based on the Altman Z score model that was used to determine the prediction of bankruptcy. In this model certain activity ratio that includes working capital, total asset turnover, retained earnings to total asset, EBT, to total assets were considered for calculation. The outcome of the model is verified by discriminant analysis. It is found that almost 75 percent of the industries are performing well and do not fall under the category of bankruptcy.

Ramshesh and Sreenivas [1] examined and compared the financial distress of Bharat Petroleum Corporation, Indian Oil Corporation, and Hindustan petroleum. In this study Z score was analysed with important turnover ratios that included working capital, asset turnover rations, Earnings per share ratios, etc. The results showed that Bharat Petroleum Corporation had scored better than the other two companies chosen for this study.

Tamilselvi [31] evaluated the financial health of Hindustan Petroleum Corporation Limited from 2015 to 2019 using the Z score model developed by Altman. It is found that the score was greater than 5 thus signifying that there is a low probability of bankruptcy for Hindustan Petroleum Corporation Limited.

Rahul et al. [32] investigated the financial distress of Oil and Gas companies listed in the S&P BSE Oil and Gas Index. In this study, the Altman Z score and Springate S score are calculated and the precision is compared. The companies were classified based upon the score into two types, non-distress, and distress. But the results varied between the models. The authors recommend employing both methods to get accurate results.

Kumar et al. [33] examined the outer performance of main firms listed in SandP BSE Oil and Gas index using Springate S score and Altman Z score. Binary logistic regression was developed for the Altman Z score and Springate S score model. It was found that Springate S score model and Altman Z score had a high accuracy rate for predicting financial stress. In addition to that, the Altman Z score has the most influential characteristics to determine bankruptcy, especially in the Oil

Table 1. Approaches for the Prediction of Financial Performance of Oil and Gas Companies in India

S.No	Author and Year	Approaches	Outcomes of the research
1	Deepika and Dhivya, 2017	Ratio Analysis, Solvency Ratio, and Profitability Ratio	The performance of oil and natural gas companies was satisfactory and their growth was found to be fluctuating
2	Sharma and Agarwal, 2019	Ratio Analysis, Expenses Ratio, and Profitability Ratio	The public sector and private sector were found to be performing in an equal manner without any significant difference in their performance.
3	Agrawal and Upadhyay, 2017	Ratio analysis	Before deregulation IOC was tolerating losses often since prices were legalized by the central government. After deregulation firms overcame that situation gradually and the short-term solvency and profitability of the firms enhanced.
4	Ramya et al., 2018	Ratio analysis, liquid ratio, current ratio, turnover ratios, and absolute liquid ratio	Firms had to concentrate on acquiring profits in the future by considering external and internal factors
5	Yadav et al., 2016	TOPSIS method	The ranking was given to selected companies based on performance. The highest-ranking was given to Hindustan Ltd in 2011, BPCL in 2012, Gail in 2013, and Petronet in 2014 and 2015.
6	Bansal et al., 2016	Gross & Net Profit ratios, leverage ratios, liquidity ratios, market value ratios, and activity ratios	When comparing liquidity ratios of selected firms, it was noticed that Cairn India and IOCL had perfect current ratios
7	Das and Dey, 2013	Fund of shareholders to capital employed ratio, debt-equity ratio, and financial leverage.	Selected companies had to raise costs they acquired the profits of capital at low cost.
8	Lanjewar and Bansal, 2021	Profitability ratio, leverage ratio, liquidity ratio, and turnover ratio	Hindustan oil exploration indicated the maximum inventory turnover ratio. Jindal exploration Industries Ltd obtained the maximum ratio at profit earning.
9	Sugumar and Prema, 2019	Statistical tools and ratio analysis	Long-term solvency and profitability were satisfactory.
10	Bharathi and Ramya, 2020	Ratio analysis	A firm's financial performance has to be monitored by taking appropriate decisions.

Table 2. Approaches for the Prediction of Financial Distress of Oil and Gas Companies in India

S.no	Author and Year	Approaches	Outcomes of the research
1	Sanesh, 2016, Nandi et al., 2019 Ramshesh and Sreenivas, 2019 Tamilselvi, 2019	Altman Z Score	Altman Z score had a high accuracy rate
2	Rahul et al., 2020	Altman Z score and Springate S score	It was found that employing both approaches resulted in the best accuracy rate
3	Kumar et al., 2021	Altman Z score and Springate S score, Binary logistic regression	Altman Z score has the most influential characteristics to determine the bankruptcy
4	Vikas and Bansal (2019)	DEA	It was measured based on risk with possibility percentage or risk value.

and Gas sector [34]. Further, it was noticed that logistic regression could be adopted by a financial manager, investment companies, researchers, and investors for policy implications and investment. Similar to that Singh and Mishra [35] adopted a logistic and discriminate model for predicting bankruptcy and financial distress for Indian firms. Vikas and Bansal [36] stated that the 4th industrial revolution leads to disruption because of uncertainty factors. Risk theory was adopted by integrating DEA (Date envelopment analysis) was estimated based on risk with possibility percentage or risk value. Table 2 describes approaches for the prediction of financial distress of Oil and Gas companies in India.

3.3 Approaches for the Prediction of Financial Performance of Oil and Gas Companies in Oman

In Oman, only a few studies have been performed related to financial performance and financial distress concerning the Oil and Gas Companies. The recent studies have been reviewed here. Singh et al. [37] had evaluated the financial performance of Oman oil marketing company, and Oil and Gas industry in Oman using financial analysis and compared it with the competitors. The authors calculated the performance using Liquidity Analysis: Short term solvency, Leverage Analysis: Long term solvency, Profitability analysis: Profit Margin, Return on Assets and Return on equity and Marketability ratios: Earnings Per Share and Dividend per share. Oman's government attempting to reduce oil dependence by expanding the economy

Nooney et al. [38] measured and compared the performance of Shell Oman Marketing and Oman Oil Marketing using liquidity, solvency, and profitability position by the data collected from 2013 to 2017. The data was analysed using current ratio, acid test ratio, profit ratios including gross and net margin, return on equity ratio, return on capital ratio, return on asset ratio, debt ratio, and dept to equity ratio. Fluctuations of oil prices have a high effect on the movements of the stock index. Ahmed et al. [9] had analyzed the performance of Oil and Gas companies using return on asset and return on equity. The findings showed that Oman Oil Marketing, Muscat gases, and Shell Oman Marketing were performing well when compared with that of the other Oil and Gas companies.

On the other hand, Echchabi and Azouzi [39] studied fluctuations in oil prices and movements in the stock market. It was found that fluctuations in oil price affect movements of the stock index. On the other hand, movements of stock price do not affect the prices of oil in Oman. Al-Mawali et al. [40] analyzed a macroeconomic model that is designed for studying the impact of Oil and Gas companies in Oman. It forecasted the effect of oil on other sectors in the economy of Oman.

Table 3. Approaches for the Prediction of Financial Performance and Financial Distress of Oil and Gas Companies in Oman

S.no	Author and Year	Approaches	Outcomes of the research
1	Singh et al., 2018	Liquidity Analysis, Leverage Analysis, Profitability analysis Marketability ratios	Oman's government was attempting to reduce oil dependence by expanding the economy
2	Nooney et al., 2019	Liquidity, Solvency and profitability	Fluctuations of oil price had a high effect on movements of the stock index
3	Ahmed et al., 2021	Return on Asset and Return on Equity	Oman Oil Marketing, Muscat Gases, and Shell Oman Marketing were performing well when compared with that of the other Oil and Gas companies.

4 Findings and Suggestions

4.1 Major Findings

The important findings of the study are:

In India financial performance of the Oil and Gas industry has been analyzed through ratio analysis. Primary data has not been collected in these researches. All the previous research had adopted secondary data. Data was found to have been gathered from various sources such as research papers, books, articles, company publications, and journals. Methods followed for analyzing financial performance in the Oil and Gas Companies were gross profit ratio, absolute liquid ratio, net profit ratio, profitability, solvency ratios, turnover ratios, trend analysis, liquid ratio, TOPSIS method, activity ratios, return on investment ratio, expenses ratio, capital turnover, current ratio, and market value ratios. It was clear from the collected data that ratio analysis has been adopted for analyzing financial performance in Indian Oil and gas companies. Financial distress has been predicted using techniques like Altman Z score, Springate S score, DEA, binary logistic regression, logistic model. It was noticed from the above findings that the Altman Z score is mostly adopted for predicting financial distress in Oil and gas companies. When compared to India only a few studies are performed in Oman. In Oman financial performance was computed by ratio analysis similar to India. However, there has not been even single research on financial distress concerning the Oil and Gas Companies in Oman. The major findings have been graphically presented in Figure 1:

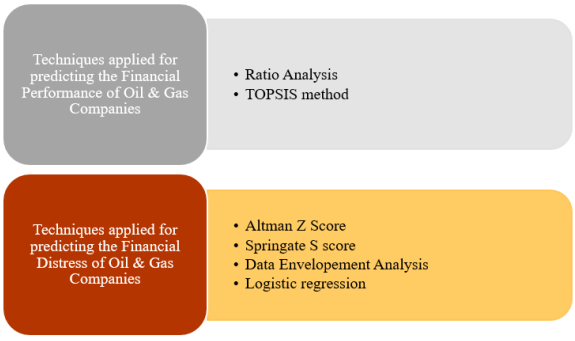

Figure 1. Findings of the review

4.2 Strategies to be adapted by Oil and Gas companies to enhance their financial performance

- Business leaders in Oil and Gas companies and corporations need strong strategies to stay competitive. Strategies entail new drives which could minimize uncertainties in policy and improve earnings between the regimes of volatility. Understanding exogenous and endogenous factors are the main things to characterize trends of the market with certainty [41]
- When considering trends of minimal prices of oil, key measures are followed to reduce the effect on the organization. Along with managing prices, it is important to monitor the non-operated assets and at the same time proposed proactive and effective substitute resolution to operational issues together with partners are considered for managing the asset [42].
- Fluctuations of price in the global market have an impact on oil marketing organizations or oil corporations. There is a requirement for firms to follow strong measures which entail an exact mechanism of restructuring. The restructuring includes many actions and it is the best way for reducing pressure on expenses of the firm. By reducing the pressure, most of the problems are dismissed [43].
- Flows of cash in oil firms without diversification of portfolio are associated with oil prices volatility. The difference in the entity of business is away from its main portfolio minimizes the risk of the portfolio on investment of capital market [44].

4.3 Strategies to be adapted by Oil and Gas Companies to enhance overcome financial distress

- It is important to focus on a range of external and internal data when assessing and monitoring the stability of finance across a portfolio of customers, vendors, and firms. Approaches to be included are publicly available assessment of data, proprietary tools to assess firms, continuous outcomes, risk-rating methodologies, ranking the strategic customer and suppliers [32].
- Companies that struggle with liquidity problems would focus on necessary actions to be taken for avoiding bankruptcy or distress. Such decisions could pose a greater reputational or financial risk to partners of the business. The main thing to reducing risk is identifying where does risk lies. Distress risk is identified by collecting public insight like executive speeches, public sentiment in real-time, presentations, and changes in analyst rating [45].
- Oil and Gas companies could deploy new working ways with their contractors for reducing financial distress and at the same time by constructing resilience of supply chain and long-term procurement thus bad impacts of the crisis are avoided. Suppliers and operators have to focus on strategic partnership and novel technologies for reducing costs as well as enduring in the oil market [36].
- Measures for reducing financial pressures on dealers encompass enhanced access to finance, expanding preferential rates, direct lending to dealers, bank guarantees, and measures for protecting against default like the choice to sell-off, recover, or buy input materials. Cross-operator levers entail packages from the support of the government for equipment suppliers in the Oil and gas Company that entails exemptions in tax, structural guarantees for main fields, coordinated bail-out efforts by the cross operator, and high transparency on-demand pipeline [33].

5 Conclusion

The Oil and Gas sector is one of the most important sectors in creating an influence in the economic and political environment of any nation. The financial performance of companies is significant to shareholders, creditors, potential investors, and bankers. As an emerging nation, the Oil and Gas sector in India is one of the main industries which contributes towards the growth of the economy and plays a main role in decision making. When deeply focusing on corporate competition, firms have to enhance the efficiency and effectiveness of management and have to perform well by analyzing the strategy and policy of the firm. Financial performance and health of firm maintains competition, maximizes profits, economic growth, the efficiency of cost, and develops the economic value of the firm. Firm management can carry out a few actions and decisions are made for improving the financial condition of the firm. If the distressed state of the firm is identified earlier, it would help in minimizing or overcoming the happening of distress. Thus, management has to supervise the financial condition of the firm by analyzing the firm's financial statements often. The profitability position of any Oil and Gas company will be high when its operating efficiency is good. It is recommended that the Oil and Gas companies must try to raise the availability of liquid cash which in turn will enhance their profitability. Alternatively, they must also consider spending a certain amount on different types of debt instruments in such a way that the funds are distributed equally.

5.1 Future Scope

This research has reviewed various techniques adopted for the prediction of the financial performance and financial distress in Oil and Gas companies in India and Oman. The current paper is limited to reviewing literature through a collection of secondary data. In the future, this work can be extended by analyzing the actual data, to compare the financial performance and financial distress of Oil and Gas companies of Oman and India. Further advanced techniques like machine learning can be employed in the future to predict financial distress and financial performance.

REFERENCES

[1] Ramshesh, C., and Sreenivas., 2019 An Analysis of Financial Performance of Petroleum Companies By Using Altman Z - Score Analysis (With Special Reference To Bharat Petroleum Corporation Ltd, Indian Oil Corporation Ltd and Hindustan Petroleum Corporation Ltd.) *Indian Journal of Accounting* 51 (1), pp. 43-50

[2] Ramya.S, Dharshini.P and Chandran.R (2018), Financial analysis and performance of Indian Oil Corporation Ltd, International journal of Advance research and development, vol 3, iss 3, pp: 1-5.

[3] Kumar P, Gupta V K and Goyal A K(2013), Financial Analysis of Indian Oil Corporation Limited, International Journal of Research in Commerce and Management 4(7), pp 46-52.

[4] ET (2019), Government overhauls oil, gas exploration policy: no profit to be charged on output in less explored areas, IEA, pp 162.

[5] EIA (2021), Country Analysis Executive Summary: India, U.S. Energy Information Administration (EIA).

[6] Figgins, A., Lansdell, J. and Taqi, Y., 2018. Oil and gas regulation in Oman: overview. *Practical Law Country QandA*, pp.9-567.

[7] Jafari, A.A. and Nair, S.S.K., 2018, August. ERP Implementation in the Oil and Gas Sector: A Case Study in Sultanate of Oman. In *2018 7th International Conference on Reliability, Infocom Technologies and Optimization (Trends and Future Directions)(ICRITO)* (pp. 848-854). IEEE.

[8] Mubeen, S.A., Kumar, A.R. and Nazneen, Q., 2017. Economic diversification in sultanate of Oman amidst oil crises. *IOSR Journal of Business and Management*, *19*(6), pp.9-12.

[9] Ahmed, M.B.M., Muthuraman, B., and Al-Hadabi, H.H.A, 2021. *Performance Evaluation of Oil and Gas Companies in Sultanate of Oman*. International Journal of Research in Entrepreneurship and Business Studies, 2(2), pp. 37-46

[10] Manrique, S. and Martí-Ballester, C.P., 2017. Analyzing the effect of corporate environmental performance on corporate financial performance in developed and developing countries. *Sustainability*, *9*(11), p.1957.

[11] Rahman M, Sa C L and Masud M A K (2018), Predicting firms financial distress: an Empirical Analysis Using the F-score model, Journal of Risk and Financial Management, 14: 199.

[12] Shaukat A and Affandi H (2015), Impact of Financial Distress on Financial Performance- A Study Related to Pakistani Corporate Sector, International Journal of Current Research, Volume 7, Issue 2, pp 12991-12996.

[13] Daniel P. and Aroma G., (2011), Research Methodology, Delhi: Kalpaz Publication, p. 91

[14] Ravindra, P.S. and Rao, C.T., 2014. An analysis on financial and capital structure of oil and gas industry-A case study of ONGC Videsh Limited. *International Journal of Advanced Research in Management and Social Sciences*, *3*(6), pp.158-171.

[15] Deepika, S and Dhivya, B., 2017. A study of financial statement analysis of oil and natural gas Corporation limited, *International Journal of Applied Research, 3(3), PP.537-540*

[16] Sharma, A., Agarwal, A., 2019 Comparative financial analysis of selected public and private sector petroleum industry in India, 5(2), pp. 37-45

[17] Annavarapu, M., Arava, L.D, 2020 Profitability Analysis of Indian Oil and Gas Industry - A Case Study of Bharat Petroleum Corporation Limited. *Science Technology and Development, 9(4), p.97-105*

[18] Agrawal.O and Upadhyay.R.C (2017), Financial performance analysis of Indian Oil Corporation during pre and post deregulation, International research journal of management sociology and humanity, vol 8, iss 8, 86-91.

[19] Yadav.S, Kapoor.R and Dhaigude.S (2016), Financial performance ranking of oil and gas companies in Indian using TOPSIS method, International journal of business excellence, 14(6): 4463-4473.

[20] Bansal.R, Kar.S.K and Mishra.S (2016), A Comparative financial performance analysis: Study of Indian and Global oil Companies, Oil, Gas and Energy Law Intelligence.

[21] Ahmad. I (2016), Analysis of financial performance of Hindustan Petroleum Corporation Limited, International journal of research in management, economics and commerce, vol 6, iss 4.

[22] Sheik.M.M and Scott. D(2013), Financial analysis and performance of oil and natural gas corporation –for the period of 2007 to 2012, International journal of accounting and financial management research, vol 3, iss 4, 81-88.

[23] Das.R and Dey.N (2013), Capital structure analysis of selected petroleum companies in India- An Empirical Study, Indian journal of applied research, vol 3, iss 8, pp: 459-461.

[24] Lanjewar.A and Bansal.R (2021), A Comparative analysis of the financial ratios of oil and gas companies, IUP Journal of accounting research and audit practices, vol 20, no 2, pp: 27-44.

[25] Yogesha.B.S and Mahadevappa. B (2014), Analysis of Value added ratios Of Indian oil corporation Ltd, IOSR-Journal of humanities and social science, vol 19, iss1„ pp: 18-25.

[26] Yasodha.M, Haripriya.R, Haripriya.R and Kirthika.K (2021), Ratio analysis of Indian oil corporation Limited, Annals of R.S.C.B., ISSN:1583-6258, Vol. 25, Issue 4, 2021, Pages. 4462 – 4468

[27] Dr V.Sugumarand N. Prema. (2019). A Study on Financial Performance of IndianOil Corporation in India. International Journal for Research in Applied Science and Engineering Technology, ISSN: 2321-9653, Volume: 7, Issue: 1, Page No. 876-878.

[28] DivyaBharathi.RandRamya.N. (2020). A Study on Financial Performance Analysis OfIndianOil Corporation Limited. EPRA International Journal of Research and Development (IJRD), ISSN (Online): 2455-7838, Volume: 5, Issue: 3, Page No.250-255.

[29] Sanesh, C., 2016. The analytical study of Altman Z score on NIFTY 50 Companies. *IRA-International Journal of Management and Social Sciences (ISSN 2455-2267)*, *3*(3), pp.724-735

[30] Nandi, A., Sengupta, P.P. and Dutta, A., 2019. Diagnosing the financial distress in oil drilling and exploration sector of india through discriminant analysis. *Vision*, *23*(4), pp.364-373.

[31] Tamilselvi, J., 2020Application Of Altman's Z Score Model In Determining The Financial Soundness Of Hindustan Petrolium Corporation Limited. *A Journal Of Composition Theory*, 8(1), pp.484-502

[32] Rahul Kumar, S.I., Padhan, S.K. and Pradhan, R.K., 2021. Estimation and comparison of corporate financial distress models on performance of major crude oil companies listed in S and P BSE oil and gas index.

[33] Kumar.S.I, Padhan.S and Pradhan.R (2021), Estimation and comparison of corporate financial distress models of performance of major crude oil companies in S andP BSE oil and gas index, Journal of mathematical problems, equations and statistics, 2(2), 1-7.

[34] Bracegirdle.S (2019), Using the Altman Z-score model to test bankruptcy in oil industry, as cited in Rajeevu.A (2021), A Study of bankruptcy position of ALOK industries LTD, Retrieved on: 11th feb 2022, Retrieved from: http://dspace.christcollegeijk.edu.in:8080/%20jspui/bitstream/%20123456789/1141/26/CCASBCP027.pdf

[35] Singh BP, Mishra AK. Re-estimation and comparisons of alternative accounting based bankruptcy prediction models for Indian companies, Financial Innovation 2016;2(1):1-28

[36] Vikas, and Bansal, R. (2019). Efficiency Evaluation of Indian Oil and Gas Sector: Data Envelopment Analysis. International Journal of Emerging Markets, 14(2), 362–378. https://doi.org/10.1108/IJoEM-01-2018-0016

[37] Singh, D., Alkharusi, M.A., Mattar, Y.A., Kakira, M.N. and Plotnikov, A., 2018. Business and financial analysis of Oman Oil Marketing Company. *Delhi Business Review*, *19*(2), pp.115-126.

[38] Nooney, L.K., Khatri, S.A., Shereiqi, K.A., Subeihi, N.A., and Harrasi, M.A., 2019. Analysis Of Monetary Performance (A Case Study Of Shell Oman Marketing And Oman Oil Marketing). *Arabian Journal of Business and Management Review (Oman Chapter)*, 8 (3), pp.11-19

[39] Echchabi.A and Azouzi.D (2017), Oil Price fluctuations and stock market movements: An application in Oman, Journal of Asian finance, economics and business, vol 4, no 2, 19-86.

[40] Al-Mawali.N, Hasim.H and Al-Busaidi.K (2016), Modeling the impact of the oil sector on the economy of Sultanate of Oman, International journal of energy economics and policy, 16(1), 120-127.

[41] Ansari, D. (2017). OPEC, Saudi Arabia, and the shale revolution: Insights from equilibrium modelling and oil politics. Energy Policy, 111, 166–178.

[42] Zhang, Y. J., and Li, S. H. (2019). The impact of investor sentiment on crude oil market risks: Evidence from the wavelet approach. Quantitative Finance, 1–15, 1357-1371

[43] Kang, W., and Wang, J. (2018). Oil shocks, policy uncertainty and earnings surprises. Review of Quantitative Finance and Accounting, 51, 375–388.

[44] Shari, A., Mahat, F., andDahir, A. M. (2019). Issues and trends of portfolio diversification. International Journal Of Academic Research In Business And Social Sciences, 9, 1237–1243.

[45] An J., Mikhaylov A., Moiseev N., Oil price predictors : Machine learning approach**,** International Journal of Energy Economics and Policy, 9 (5) (2019), pp. 1-6