Review of: "Using the Altman Z-Score Model to Forecast the Financial Distress of a Subset of NIFTY 50 Companies in the Indian Stock Market"

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Potential competing interests: No potential competing interests to declare.

This study focuses on measuring the financial distress of listed firms in the Indian stock market using the Altman Z-Score Model. The findings of this study provide valuable insights into the distress condition of these firms, which can be instrumental in managing investment risks in the Indian market. However, in order to meet the standards of a published paper, there are several aspects in which this study can be further improved.

First, in the literature review, it is crucial to discuss the rationale behind choosing the Altman Z-Score Model over alternative models, such as KMV, for measuring financial distress. By addressing this, we can highlight the unique advantages and strengths of the Altman Z-Score Model in application in Indian stock market.

Second, the coefficients of the Altman Z-Score Model were originally established by Edward I. Altman in 1968 through empirical study. However, in recent literature, researchers have found that adapting the coefficients of the model to the distinct conditions of different countries can enhance its application. Those studies estimate the coefficients based on historical samples specific to the studied market. Therefore, we recommend following this approach to improve the accuracy and relevance of the Altman Z-Score Model by estimate the coefficient of model based on historical credit default data of Indian firms.

Third, we suggest authors to evaluate the performance of the Altman Z-Score Model in assessing financial distress by comparing it with benchmark models or using specialized samples, such as historical credit default data of firms. This evaluation helps to assess the accuracy and effectiveness of the Altman Z-Score Model as a measurement tool.