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.

Comments for Author

The article presents a comprehensive study that utilizes the Altman Z-Score model to assess the financial distress status of a selected subset of NIFTY 50 companies in the Indian Stock Market. The study employs a descriptive and analytical approach, utilizing secondary financial data for the period 2022-23. The study's objective is to evaluate the financial health of these companies based on the Z-Score model and categorize them into various zones ranging from bankruptcy to too healthy. The author discusses the importance of financial stability and its impact on a company's operations, and provides a detailed explanation of the Altman Z-Score model, its components, and interpretation.

Suggestions for Improvement

1. Discussion on Model Limitations: While the article briefly mentions the limitations of relying solely on the Altman Z-Score model, it would be beneficial to expand on these limitations and discuss potential areas of improvement or complementary approaches that could provide a more robust assessment of financial health.
2. Data Source and Reliability: The article mentions that secondary data was used, but there's no discussion about the reliability and quality of the data source. Providing insights into data collection, validation, and potential sources of bias would enhance the credibility of the study.
3. Discussion of Z-Score Interpretation: The article could further elaborate on the significance of the calculated Z-Score values and their implications. Specifically, the interpretation of Z-Score values in relation to the financial health of the companies could be discussed in more detail.
4. Comparison with Other Models: Considering the limitations of relying on a single model, a comparative discussion of the Altman Z-Score model with other models used to assess financial distress could be valuable. This would highlight the strengths and weaknesses of various approaches and enrich the analysis.
5. Recommendations for Companies in Distress: In the conclusion, it might be beneficial to provide brief recommendations for the companies categorized in the "Bankruptcy Zone" or "Healthy Zone." These recommendations could serve as practical insights for stakeholders.