

ABSTRACT

Financial distress is a critical issue that affects individuals, businesses and even entire economies. Financial distress can occur due to short-term or long-term financial difficulties. With this financial distress can be used as a sign that the company has the potential for bankruptcy. The bankruptcy of a company can be known through financial statement analysis. There are several models for predicting financial distress in a company, in this study using the Altman Z-Score model, the Springate model, and the Zmijewski model. There is a phenomenon of textile sub-sector companies being delisted from the Indonesia Stock Exchange (IDX), namely the SRITEX company because its stock sales have been suspended for almost two years, because the company has defaulted on its short-term debts.

This study aims to test and analyze the effect of CSR disclosure, liquidity and sales growth on financial distress. The object of this research is the Textile Sub-Sector listed on the Indonesia Stock Exchange in 2017 - 2022. This research data is obtained from the company's annual report. The population of this study is a sub-textile company listed on the Indonesia Stock Exchange. The analysis technique used in this study used purposive sampling with a population of 10 companies and a research period of 2017-2022 and obtained 60 observation sample data observed for six years. The analysis method used in this study uses panel data regression analysis which is processed using Eviews 12 software. This research is limited to CSR reporting disclosure, data collection for CSR disclosure based on the company's annual report.

The results of this study indicate that CSR disclosure, liquidity and sales growth simultaneously affect financial distress. Partially, CSR disclosure has a significant effect on financial distress, liquidity has no effect on financial distress and sales growth has no effect on financial distress.

Keywords: CSR, liquidity, sales growth, financial distress