

## ABSTRACT

*In 2015 textile and garment companies decreased performance by the several companies that perform delisting (delisted) from the list of the Indonesia Stock Exchange as a result of bankruptcy. Recorded 20 textile and garment companies listed on the Stock Exchange, there are three companies did delisting due to have a condition that significantly negative effect on the financial performance and operations and does not have an income anymore. Therefore, it is necessary to study on the prediction of financial distress textile and garment companies listed on the Indonesia Stock Exchange.*

*This study aims to determine the effect of the current ratio, and the net profit margin to the financial distress that are calculated using the Altman Z-score in the textile and garment companies listed in Indonesia Stock Exchange period 2010-2015. The population in this study is a textile and garment companies listed on the Stock Exchange as many as 17 companies, while the number of companies that meet the criteria of sampling is 13 textile and garment companies for 6 years. Therefore, the number of samples in this study as many as 78 samples or data.*

*The results showed that partially, CR (Current Ratio) has the effect of 29.1% of Financial Distress (FD) that can be said to have a significant influence, while NPM (Net Profit Margin) has the effect of 14.2% to the FD that can be said also to have a significant influence. CR and NPM simultaneously has significant influence on financial distress.*

**Keywords:** *current ratio, net profit margin and financial distress.*