# *ABSTRACT*

*The main purpose of a company is to obtain an optimal profit. In this case, the company could experience financial distress if it's not able to show a good financial performace.*

*This study aims to determine the effect of liquidity, profitability, company size, board of directors, and independent commissioners on financial distress in textile and garment companies listed on Indonesia Stock Exchange.*

*The population of this research are all the textile and garment companies listed on Indonesia Stock Exchange period 2013-2017. The sample selection technique uses the purposive sampling and obtained 10 companies with the 5 years period, so it has 50 samples to be observed. The analysis technique used in this research is logistic regression analysis using Spss 25$^{th}$ version software.*

*The result of the study shows that liquidity, profitability, company size, board of directors, and independent commissioners have a simultaneous effect on financial distress. Liquidity partially has a significant negative effect on financial distress, while board of directors partially has a significant positive effect on financial distress, and profitability, company size and independent commissioners partially have no significant effect on financial distress.*

*For investors, the results of this study are expected to provide additional information in making investment decisions. While for companies, the results of this study are expected to be used to conduct evaluations to increase liquidity and adjust the number of boards of directors based on company compatibility.*



**Keywords:** *Liquidity, Profitability, Company Size, Board of Directors, Independent Commissioners, and Financial Distress.*