

## **ABSTRACT**

*The purpose of establishing a company is to get the maximum profit. However, the companies do not always get a good profit, there are a situation when companies experience decreasing of financial conditions. Financial distress is a condition in which the company experiences decreasing of financial conditions which can lead to bankruptcy. Financial distress is also defined as a situation where a company has a problem with liquidity. Companies that are experiencing financial distress and not immediately addressed can lead to bankruptcy.*

*This study aims to determine the effect of liquidity ratios, sales growth, firm size, institutional ownership, managerial ownership, independent commissioners, audit committees and board of directors have simultaneous and partial effect on the likelihood financial distress in mining sector and the basic and chemical industry sector companies that listed on Indonesia Stock Exchange (IDX) in 2009-2018.*

*This research uses quantitative methods. The samples obtained were 70 by using purposive sampling method. The analytical method used is survival analysis. The hypothesis in this study was tested using IBM SPSS Statistics version 23 software.*

*Based on the results of this study, liquidity ratios, sales growth, firm size, institutional ownership, managerial ownership, independent commissioners, audit committees and board of directors simultaneously influence financial distress. Partially, the liquidity ratio dan audit committee have a negative significant effect on financial distress. Sales growth, company size, institutional ownership, managerial ownership, independent commissioners and board of directors have no significant effect on financial distress.*

*Future studies can add variables that are not contained in this study and expand the research object. For the companies, the result of this study can be used to improve financial performance and corporate governance. For the investors, the results of this study can be used as a guide in decision making.*

**Keywords:** *Corporate Governance, Financial Distress, Firm Size, Liquidity Ratio, Sales Growth, Survival Anagnosis*