**ABSTRACT**

This study aimed to analyze the financial ratio in predicting financial distress of the company, as well as to determine what the cause of the kebangkarutan on manufacturing companies listed in Indonesia Stock Exchange (BEI). The sample in this study is a company of textile and garment industry sectors listed on the Indonesia Stock Exchange (BEI). The method used in analyzing financial ratios to predict financial distress is using Zmijewski (X-Score), the method Olhson (Y-Score), Altman (Z-Score), the method Grover (G-Score), and methods Springate (Y-Score).

The results showed that there are 5 companies experiencing financial distress by using Zmijewski (X-Score), 10 companies experiencing financial distress by using Olhson (Y-Score), 9 companies experiencing financial distress by using methods Altman (Z- Score), 6 companies experiencing financial distress by using Grover (G-Score), and 13 companies were experiencing financial distress by using Springate (S-Score). The causes of financial distress caused by two main factors are derived from internal and external. Internal factors are the large amount of debt, which negates profit for 2 consecutive years, and poor management. External factors that government policies, market demand, and intense competition.

Keywords: Financial Distress, Bankruptcy, Factor