**Abstract**

A ratio analysis is a quantitative analysis of information contained in a company's financial statements. Ratio analysis is used to evaluate various aspects of a company's operating and financial performance such as its efficiency, liquidity, profitability and solvency. Ratio Analysis as a tool possesses several important features. The data, which are provided by financial statements, are available. Ratio analysis involves evaluating the performances and financial health of a company by using data from the current and historical financial statements. It is a systematic technique of analysis and interpretation of financial statements. Through this that the strengths and weakness and the financial position of the firm can be determined.