**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 readily available and facilitates the comparison of firms which differ in size. Ratios can be used to compare a firm's financial performance with industry averages. Ratios helps to determine the area where it has improved its financial performances and it also helps to make additional improvements at a required places.