**Abstract**

Using the fundamental analysis, we have shown how factoring is beneficial to a company. There are very few concerns providing factoring services in India. The main objective of this study is to show that factoring is beneficial. We have used the ratio analysis and cashflow statement as a tool to find whether the company SBI global factors ltd limited has a good financial position or not. Fundamental Analysis (FA) is an approach to know about a business. If an investor wants to invest in a business for the long term, it becomes very essential to understand the business from various perspectives. In order to develop factoring in India one has to know its benefits and the profitability of the concern providing factoring services in long run. For this purpose, SBI Global Factors Ltd has been taken as an example to show the benefits of factoring by using its financial statements