**ABSTRACT**

In India, industrial production measures the output of businesses integrated in industrial sector of the economy. The industrial sector is one of the main sectors that contribute to the Indian Gross Domestic Product (GDP).Dividend policy is a key decision area in the field of financial management. The decision of the firm regarding the extent of earnings that could be paid as dividend and the extent that of could be retained by the firm is the concern of dividend policy. The present study examines the determinants of dividend policy of Indian corporate firms over the period 2010 - 2015 and attempts to explain with the help of signaling theory, agency cost theory, life cycle theory, transaction theory and free cash flow theory.Further, dividend-paying companies are more profitable, large in size and growth doesn't seem to deter Indian firms from paying higher dividends. The study was an attempt to identify the determinants of dividend policy of select industries in India. The different industries (5 units each) which are selected from six different major industries. Samples are selected on the basis of highest average dividend payment in last six years from 2009-10 to 2014-15.. The analysis was carried out with the help of financial tools like ratios and statistical tools like mean, standard deviation, Compound annual growth rate (CAGR),multiple correlation and multiple regression respectively.