**Abstract**

The present study seeks to analyse the dividend behaviour of MNCs in Automobile and auto ancillaries industry in India. The study is based on the multinational companies which are listed in NSE and BSE for the period of fifteen years (2002-2016). In globalized era, market has been widen for the investors, since the entry of foreign companies. Hence the companies are struggling in order to compete and succeed in the market. Moreover MNCs are supposed to adopt the crucial dividend decision as to satisfy the existing share holders and also attract the new investors. The analysis result reveals that Mahindra &Mahindra ltd has paid more dividend and adopted liberal dividend policy. India nippon electrical ltd is with more consistent among the MNCs. Tube investment of India has high growth in dividend even though they paid less dividend among the sample companies