

INDIA FUND INC
Form N-CSRS
September 05, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES
Investment Company Act file number: 811-08266

The India Fund, Inc.

Exact name of registrant as specified in charter:

1735 Market Street, 32nd Floor

Philadelphia, PA 19103

Address of principal executive offices:

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Ms. Andrea Melia

Aberdeen Asset Management Inc.

1735 Market Street 32nd Floor

Philadelphia, PA 19103

Name and address of agent for service:

Registrant's telephone number, including area code: 1-866-839-5205

Date of fiscal year end: December 31

Date of reporting period: June 30, 2013

Item 1 Reports to Stockholders

Letter to Shareholders (unaudited)

Dear Shareholder,

We present this Semi-Annual Report which covers the activities of The India Fund, Inc. (the Fund) for the six-month period ended June 30, 2013. The Fund's investment objective is long-term capital appreciation, which it seeks to achieve by investing primarily in the equity securities of Indian companies.

Total Return Performance

For the six-month period ended June 30, 2013, the total return to shareholders of the Fund based on the net asset value (NAV) of the Fund, net of fees, was (5.6)%, assuming reinvestments of dividends and distributions, versus a return of (8.0)% for the Fund's benchmark, the MSCI India Index.

Share Price and NAV

For the six-months ended June 30, 2013, based on market price, the Fund's total return was (8.3)%, assuming reinvestment of dividends and distributions. The Fund's share price decreased 8.3% over the six-month period, from \$20.91 on December 31, 2012 to \$19.17 on June 30, 2013, in part due to the payment of the stock distribution in January 2013 (See Note 5 in the Notes to Financial Statements). The Fund's share price on June 30, 2013 represented a discount of 14.6% to the NAV per share of \$22.46 on that date, compared with a discount of 12.1% to the NAV per share of \$23.79 on December 31, 2012.

Open Market Repurchase Program

In addition to the Fund's semi-annual repurchase offer policy which is described on pages 15-16 of this Semi-Annual Report, the Fund's open market repurchase policy is generally to buy back Fund shares in the open market when the Fund trades at certain discounts to NAV. During the six months ended June 30, 2013, the Fund repurchased 80,000 shares. The open market repurchase amounts are updated on the Fund's website monthly. See Note 7 in the Notes to Financial Statements for additional information.

Portfolio Holdings Disclosure

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information about the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The information on Form N-Q is also available to shareholders on the Fund's website or upon request and without charge by calling Investor Relations toll-free at 1-866-839-5205.

Proxy Voting

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve months ended June 30 is available by August 30 of the relevant year: (i) upon request and without charge by calling Investor Relations toll-free at 1-866-839-5205 and (ii) on the SEC's website at <http://www.sec.gov>.

Investor Relations Information

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As part of our ongoing commitment to provide information to our shareholders, I invite you to visit the Fund on the web at www.aberdeenifn.com. From this page, you can view monthly fact sheets, portfolio manager commentary, distribution and performance information, updated daily fact sheets courtesy of Morningstar®, and other timely data as well as conduct portfolio charting.

Please take a look at Aberdeen's Closed-End Fund Talk Channel, where you can watch fund manager web casts and view our latest short films. For replays of recent broadcasts or to register for upcoming events, please visit Aberdeen's Closed-End Fund Talk Channel at www.aberdeen-asset.us/aam.nsf/usClosed/aberdeentv.

Please ensure that you are enrolled in our email services, which feature timely news from Aberdeen portfolio managers around the world. Enroll today at www.aberdeen-asset.us/aam.nsf/usclosed/email and be among the first to receive the latest closed-end fund news, announcements of upcoming fund manager web casts, films and other information. Please note that Aberdeen does not share our shareholder information with any other organizations.

Please contact Aberdeen Asset Management, Inc. by:

calling toll free at 1-866-839-5205 in the United States,
emailing InvestorRelations@aberdeen-asset.com or
visiting www.aberdeenifn.com

Yours sincerely,

Alan R. Goodson

President

The India Fund, Inc.

Report of the Investment Manager

Market Review

Indian equities were largely unchanged in Rupee terms during the six-month period ended June 30, 2013. Continued efforts by the government to liberalize the economy and hopes that the Reserve Bank of India (RBI) would ease monetary policy lifted investor sentiment at first. However, slowing growth and persistent concerns over the high fiscal and current account deficits soon weighed on confidence, as did uncertainty surrounding the U.S. Federal Reserve's quantitative easing program. In U.S. Dollar terms, Indian equity share prices fell substantially during the period due to by the Rupee's sharp depreciation against the U.S. Dollar. The RBI cut its benchmark interest rate three times during the reporting period on the back of moderating inflation and weakening gross domestic product (GDP) growth, which fell to a decade-low rate of 5.0% for the twelve-month period ended March 31, 2013.

Fund Performance Review

The Fund outperformed its benchmark, the MSCI India Index, for the period, helped by both positive stock selection and asset allocation.

At the stock level, the Fund's holdings in IT services company Tata Consultancy Services and tobacco company ITC were the top contributors to the relative return. Tata Consultancy Services benefited from the continued expansion of its U.S. and UK divisions. ITC made good progress in its hotels as well as paper and packaging units, while its core cigarette segment also performed well. Additionally, the Fund's lack of exposure to Jindal Steel & Power aided performance as the company's shares fell sharply on the back of weaker global steel prices, which hurt its quarterly earnings.

Conversely, the holding in Hero MotoCorp detracted from Fund performance as the motorcycle maker's results generally did not

meet market expectations amid increased competition and elevated costs. The absence of positions in Sun Pharmaceutical Industries and Reliance Industries also had a negative impact on performance. Sun Pharmaceutical's stock price was lifted by robust profit growth. Energy conglomerate Reliance Industries' quarterly results generally beat estimates on the back of improved refining margins, while expectations of higher gas prices in 2014 also buoyed its share price.

Outlook

In our view the possibility of a U-turn in the Indian government's reform drive ahead of the general election in May 2014 is a key risk to the market. We believe that India urgently needs to boost investments to revive growth. Should the Congress party succumb to opposition pressure and backpedal on its policies, the potential for an economic recovery could fade, in our opinion. Meanwhile, the Rupee's sharp fall has heightened inflationary risks, which we feel makes it more difficult for the central bank to loosen monetary policy further. Furthermore, we believe that the approval of the multi-billion-dollar Food Security Ordinance, which will provide subsidized grains to low-income residents, may potentially worsen the country's fiscal problems. External factors, such as a prolonged credit crisis in China and U.S. quantitative easing uncertainty, could also increase market volatility, in our view.

On the positive side, we feel that India's long-term growth potential remains intact. In our opinion, the economy is supported by favorable demographics, and the market covers a broad range of industries that are home to many well-run, innovative, financially robust, prudently managed and shareholder-friendly companies. We believe that a further stock market correction could present buying opportunities.

Aberdeen Asset Management Asia Limited

* Source: Reserve Bank of India, June 2013

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The India Fund, Inc.

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Portfolio Summary (unaudited)

The following chart summarizes the composition of the Fund's portfolio, in industry classification standard sectors, expressed as a percentage of net assets. An industry classification standard sector can include more than one industry group. As of June 30, 2013, the Fund did not have more than 25% of its assets invested in any industry group. The sectors, as classified by S&P's Global Industry Classification Standard Sectors, are comprised of several industry groups.

As of June 30, 2013, the Fund held 99.2% of its net assets in equities, and 0.8% in cash and other assets in excess of liabilities

Asset Allocation as of June 30, 2013

The India Fund, Inc.

Top Ten Equity Holdings (unaudited)

The following were the Fund's top ten holdings as of June 30, 2013

Name of Security	Percentage of Net Assets
Housing Development Finance Corp., Ltd.	10.7%
ICICI Bank, Ltd.	8.9%
ITC, Ltd.	8.4%
Tata Consultancy Services, Ltd.	8.3%
Infosys, Ltd.	8.1%
HDFC Bank, Ltd.	4.8%
Hindustan Unilever, Ltd.	4.8%
Godrej Consumer Products, Ltd.	4.3%
Hero MotoCorp, Ltd.	4.0%
Ultra Tech Cement, Ltd.	3.4%

Average Annual Returns (unaudited)

The following table summarizes Fund performance compared to the MSCI India Index the Fund's benchmarks, for the 1-year, 3-year, 5-year and 10-year periods as of June 30, 2013.

	1 Year	3 Years	5 Years	10 Years
Net Asset Value (NAV)	7.37%	(4.66)%	1.97%	16.54%
Market Value	4.24%	(6.14)%	0.38%	16.43%
MSCI India Index	6.69%	(4.93)%	1.50%	16.31%

*Aberdeen Asset Management Asia Limited has entered into a written contract with the Fund to waive a portion of its fees or limit expenses without which performance would be lower. This contract may not be terminated before December 18, 2014. Returns represent past performance. Total investment return at net asset value is based on changes in the net asset value of Fund shares and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the Fund's dividend reinvestment program. Total investment return at market value is based on changes in the market price at which the Fund's shares traded on the NYSE during the period and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the Fund's dividend reinvestment program. Because the Fund's shares trade in the stock market based on investor demand, the Fund may trade at a price higher or lower than its NAV. Therefore, returns are calculated based on both market price and NAV. **Past performance is no guarantee of future results.** The performance information provided does not reflect the deduction of taxes that a shareholder would pay on distributions received from the Fund. The current performance of the Fund may be lower or higher than the figures shown. The Fund's yield, return, market price and NAV will fluctuate. Performance information current to the most recent month-end is available by calling 866-839-5205.*

The annualized gross expense ratio is 1.44%. The annualized net expense ratio after fee waivers and/or expense reimbursements and before taxes is 1.17%.

The India Fund, Inc.

Schedule of Investments (unaudited)

June 30, 2013

No. of Shares	Description	Value
EQUITY SECURITIES 99.2%		
INDIA 99.2%		
AUTO COMPONENTS 2.4%		
133,581	Bosch, Ltd. (a)	\$ 20,278,409
AUTOMOBILES 4.0%		
1,230,000	Hero MotoCorp, Ltd. (a)	34,312,134
CHEMICALS 2.7%		
300,000	Asian Paints, Ltd. (a)	23,344,579
COMMERCIAL BANKS 13.7%		
3,650,000	HDFC Bank, Ltd. (a)	40,892,308
4,260,000	ICICI Bank, Ltd. (a)	75,909,841
		116,802,149
CONSTRUCTION MATERIALS 9.1%		
8,200,000	Ambuja Cements, Ltd. (a)	25,710,467
250,085	Grasim Industries, Ltd. (a)	11,585,633
910,000	Ultratech Cement, Ltd. (a)	28,645,620
580,000	ACC, Ltd. (a)	11,895,407
		77,837,127
ELECTRIC UTILITIES 1.3%		
7,850,000	Tata Power Co., Ltd. (a)	11,344,858
ELECTRICAL EQUIPMENT 0.6%		
499,224	ABB, Ltd. (a)	5,132,308
FOOD PRODUCTS 3.1%		
320,118	Nestle India, Ltd. (a)	26,108,306
GAS UTILITIES 2.4%		
3,960,000	GAIL India, Ltd. (a)	20,814,056
HOUSEHOLD PRODUCTS 4.8%		
4,139,000	Hindustan Unilever, Ltd.	40,756,178
IT SERVICES 18.6%		
115,303	CMC, Ltd.	2,509,793
1,658,000	Infosys, Ltd. (a)	69,205,540
2,600,000	Mphasis, Ltd.	16,273,790
2,770,000	Tata Consultancy Services, Ltd. (a)	70,646,994
		158,636,117
MACHINERY 0.6%		
415,430	Cummins India, Ltd. (a)	3,185,001
237,758	Thermax, Ltd.	2,393,384
		5,578,385
PERSONAL PRODUCTS 4.3%		
2,670,000	Godrej Consumer Products, Ltd.	36,793,656
PHARMACEUTICALS 6.7%		
537,344	Glaxosmithkline Pharmaceuticals, Ltd. (a)	21,098,574
1,000,000	Lupin, Ltd. (a)	13,118,211
981,000	Piramal Enterprises, Ltd. (a)	9,416,752
320,000	Sanofi India, Ltd.	13,095,902
		56,729,439

See Notes to Financial Statements.

Schedule of Investments (unaudited) (concluded)

June 30, 2013

No. of Shares	Description	Value
EQUITY SECURITIES (continued)		
INDIA (continued)		
ROAD & RAIL 3.0%		
1,400,000	Container Corp. of India, Ltd.	\$ 25,409,676
TEXTILES, APPAREL & LUXURY GOODS 0.9%		
2,090,104	Titan industries, Ltd. (a)	7,832,664
THRIFTS & MORTGAGE FINANCE 10.7%		
6,180,000	Housing Development Finance Corp., Ltd. (a)	90,980,723
TOBACCO 8.4%		
13,110,000	ITC, Ltd. (a)	71,348,215
WIRELESS TELECOMMUNICATION SERVICES 1.9%		
3,240,876	Bharti Airtel, Ltd. (a)	15,856,982
	Total India (cost \$596,124,624)	845,895,961
	Total Investments 99.2% (cost \$596,124,624)	845,895,961
	Cash and Other Assets in Excess of Liabilities 0.8%	6,711,571
	Net Assets 100.0%	\$ 852,607,532

Footnotes and Abbreviations

(a) Security uses fair value as of June 30, 2013. Security is valued at fair value as determined in good faith by, or under the direction of, the Board of Directors (the Board) under procedures established by the Board. See Note 2 (a) of the accompanying Notes to the Financial Statements.

See Notes to Financial Statements.

The India Fund, Inc.

Statement of Assets and Liabilities (unaudited)

As of June 30, 2013

Assets	
Investments, at value (Cost \$596,124,624)	\$ 845,895,961
Cash (including Indian Rupees of \$4,077,791 with a cost of \$4,093,378)	5,521,298
Dividends receivable	3,512,346
Tax refund receivable	1,089,220
Prepaid expenses	58,257
Total Assets	856,077,082
Liabilities	
Foreign tax payable	1,694,072
Payable for open market repurchases	753,439
Investment management fees payable (Note 3)	500,899
Administration fees payable (Note 3)	134,199
Investor relations payable (Note 3)	52,698
Directors fees payable	10,382
Accrued expenses and other liabilities	323,861
Total Liabilities	3,469,550
Net Assets	\$ 852,607,532
Net Assets Consist of:	
Capital stock, \$0.001 par value (Note 5)	\$ 37,966
Paid-in capital	588,624,523
Undistributed net investment income	3,751,793
Accumulated net realized gain on investments and foreign currency transactions	10,568,218
Net unrealized appreciation in value of investments and foreign currency translation	249,625,032
	\$ 852,607,532
Net asset value per share (\$852,607,532/37,965,730 shares issued and outstanding)	\$ 22.46

See Notes to Financial Statements.

The India Fund, Inc.

Statement of Operations (unaudited)

For the Six Months Ended June 30, 2013

Investment Income	
Dividends (net of taxes withheld of \$0)	\$ 9,170,403
Total investment income	9,170,403
Expenses	
Investment management fees (Note 3)	4,571,035
Administration fees (Note 3)	920,298
Directors' fees and expenses	259,960
Legal fees and expenses	130,774
Custodian fees and expenses	128,446
Reports to shareholders and proxy solicitation	108,482
Investor relations expenses (Note 3)	100,662
Foreign tax expense	86,172
Independent auditors' fees and expenses	77,492
Insurance expenses	77,247
Transfer agent fees and expenses	13,989
Miscellaneous	125,341
Total Expenses before Waiver	6,599,898
Less: Expenses Waived (Note 3)	