

MORGAN STANLEY INDIA INVESTMENT FUND, INC.  
Form N-2  
May 08, 2009

As filed with the U.S. Securities and Exchange Commission on May 8, 2009  
Securities Act File No. 333-  
Investment Company Act File No. 811-08238

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

(Check appropriate box or boxes)

**FORM N-2**

**REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933**

X

Pre-Effective Amendment No.

o

Post-Effective Amendment No.

and/or

**REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY  
ACT OF 1940**

X

Amendment No. 8

X

**MORGAN STANLEY INDIA INVESTMENT FUND, INC.**

(Exact Name of Registrant as Specified in Charter)

522 Fifth Avenue  
New York, New York 10036

Edgar Filing: MORGAN STANLEY INDIA INVESTMENT FUND, INC. - Form N-2

(Address of Principal Executive Offices)

**(212) 296-6970**

(Registrant's Telephone Number, including Area Code)

**Stefanie V. Chang Yu, Esq.  
Morgan Stanley India Investment Fund, Inc.  
522 Fifth Avenue  
New York, New York 10036**

(Name and Address of Agent for Service)

**Copies to:**

**Carl Frischling  
Kramer Levin Naftalis & Frankel LLP  
1177 Avenue of the Americas  
New York, New York 10036**

**Stuart M. Strauss, Esq.  
Clifford Chance US LLP  
31 West 52nd Street  
New York, New York 10019  
(212) 878-8000**

**Approximate date of proposed public offering:**

**As soon as practicable after the effective date of this Registration Statement.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check this box.

**It is proposed that this filing will become effective (check appropriate box):**

when declared effective pursuant to Section 8(c)

**CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933**

<b>Title of Securities Being Registered</b>	<b>Amount Being Registered</b>	<b>Proposed Maximum Offering Price Per Unit (1)</b>	<b>Proposed Maximum Aggregate Offering Price (1)</b>	<b>Amount of Registration Fee</b>
---	--------------------------------	---	--	-----------------------------------

Edgar Filing: MORGAN STANLEY INDIA INVESTMENT FUND, INC. - Form N-2

Common Stock, par value								
\$0.01 per share	62,034 Shares	\$	16.12	\$	1,000,000	\$	55.80	(1)

---

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(c) under the Securities Act of 1933, based on the average of the high and low sale prices reported on the New York Stock Exchange on May 6, 2009.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

---

## Form N-2

## CROSS-REFERENCE SHEET

## Parts A and B of the Prospectus\*

Items in Part A and B of Form N-2		Location in Prospectus
1.	Outside Front Cover	Outside Front Cover Page of Prospectus
2.	Cover Pages, Other Offering Information	Inside Front and Outside Back Cover Page of Prospectus
3.	Fee Table and Synopsis	Fee Table
4.	Financial Highlights	Financial Highlights
5.	Plan of Distribution	Not Applicable
6.	Selling Stockholders	Not Applicable
7.	Use of Proceeds	Prospectus Summary; Use of Proceeds
8.	General Description of the Registrant	Outside Front Cover Page of Prospectus; Prospectus Summary; The Fund; The Fund's Investments; Risk Factors and Special Considerations; Investment Restrictions; Description of Common Shares
9.	Management	Management of the Fund; Compensation; Portfolio Transactions and Brokerage; Description of Common Shares; Dividend Paying Agent, Transfer Agent and Registrar; Custodian and Sub-Custodian; Legal Matters
10.	Capital Stock, Long-Term Debt, and other Securities	Description of Common Shares; Dividends and Distributions; Dividend Reinvestment Plan; Tax Matters
11.	Defaults and Arrears on Senior Securities	Not Applicable
12.	Legal Proceedings	Not Applicable
13.	Table of Contents of the Statement of Additional Information	Not Applicable
14.	Cover Page	Not Applicable
15.	Table of Contents	Not Applicable
16.	General Information and History	Not Applicable
17.	Investment Objective and Policies	Prospectus Summary; The Fund's Investments; Investment Restrictions
18.	Management	Prospectus Summary; Management of the Fund; Compensation; Code of Ethics; Proxy Voting Policy and Procedures
19.	Control Persons and Principal Holders of Securities	Compensation
20.	Investment Advisory and Other Services	Prospectus Summary; Management of the Fund; Compensation; Custodian and Sub-Custodian; Dividend Paying Agent, Transfer Agent and Registrar; Independent Registered Public Accounting Firm
21.	Brokerage Allocation and Other Practices	Portfolio Transactions and Brokerage
22.	Tax Status	Tax Matters
23.	Financial Statements	Financial Statements

\* Pursuant to the General Instructions to Form N-2, all information required to be set forth in Part B has been included in Part A.

Information required to be included in Part C is set forth under the appropriate item, so numbered in Part C to this Registration Statement.

---

The information in this Prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This Prospectus is not an offer to sell these securities and is not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

***PRELIMINARY PROSPECTUS (Subject to Completion)***

***Issued May 8, 2009***

**PROSPECTUS**

**Shares**

**Morgan Stanley India Investment Fund, Inc.**

**Common Stock**

**Issuable Upon Exercise of Non-Transferable Rights**

**to Subscribe for Shares of Common Stock**

Morgan Stanley India Investment Fund, Inc. (the Fund) is issuing to its common stockholders of record as of \_\_\_\_\_, 2009 non-transferable rights. These rights will allow you to subscribe for one share of the Fund's common stock for each four rights held. You will receive one right for each whole share of common stock that you hold of record as of \_\_\_\_\_, 2009. You need four rights to purchase one share at the subscription price. The Fund will not issue fractional shares upon the exercise of less than four rights. If you fully exercise all rights issued to you, you will be entitled to subscribe for additional shares that were not subscribed for by other stockholders. The rights will not be listed for trading on the New York Stock Exchange or any other exchange; however, the shares issued upon the exercise of the rights will be listed for trading on the New York Stock Exchange under the symbol IIF. The subscription price per share will be \_\_\_\_\_.

THE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK TIME, ON \_\_\_\_\_, 2009, UNLESS EXTENDED. The Fund announced the offer after the close of business on the New York Stock Exchange on \_\_\_\_\_, 2009. The net asset value per share at the close of business on \_\_\_\_\_, 2009 and \_\_\_\_\_, 2009 was US\$ \_\_\_\_\_ and US\$ \_\_\_\_\_, respectively, and the last reported sale price of a share on the New York Stock Exchange on those dates was US\$ \_\_\_\_\_ and US\$ \_\_\_\_\_, respectively. Because the expiration date and the date upon which the price of the rights will be determined will be the same date, stockholders who exercise their rights will not know the purchase price of the shares when they make their investment decision. Once you subscribe for shares and the Fund receives payment or a guarantee of payment, you will not be able to change your decision.

The Fund is a non-diversified, closed-end management investment company incorporated under the laws of the State of Maryland. The Fund's investment objective is long-term capital appreciation, which it seeks to achieve by investing primarily in equity securities of Indian issuers. See Investment Objective and Policies. There can be no assurance that the Fund's investment objective will be achieved. Morgan Stanley Investment Management Inc. acts as the Fund's adviser and administrator. The address of the Fund is 522 Fifth Avenue, New York, New York 10036, and the Fund's telephone number is (800) 231-2608.

**Investment in the Fund's common stock involves certain risks that are not typically associated with investments in the securities of U.S. issuers, arising in part from the Fund's investments in securities of Indian companies. See Risk Factors and Special Considerations. In addition, as a result of the offer, stockholders of record on the record date who do not fully exercise their rights should expect that they will, upon completion of the offer, own a smaller proportional interest in the Fund than would otherwise be the case. See Risk Factors and Special Considerations Risks Related to the Offer and The Offer Terms of the Offer.**

Please read this Prospectus carefully before investing and keep it for future reference. It sets forth concisely important information that a prospective investor should know before investing in the Fund. All questions and inquiries relating to the offer should be directed to the Information Agent, [address] or toll-free at [address]. The Fund has filed additional information about the Fund and the offer with the U.S. Securities and Exchange Commission (<http://www.sec.gov>). Copies of the Fund's annual and semi-annual reports may be obtained upon request, without charge, by writing to Morgan Stanley India Investment Fund, Inc., c/o JPMorgan Chase Bank, N.A., 270 Park Avenue, New York, New York 10017, or by calling (800) 231-2608 and also will be made available on the Fund's website at [www.morganstanley.com/im](http://www.morganstanley.com/im). You may also call this toll-free telephone number to request additional information about the Fund or to make stockholder inquiries.

**These securities have not been approved by the U.S. Securities and Exchange Commission or any state securities commission nor has the U.S. Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.**

---

	Estimated Subscription Price (1)		Sales Load	Estimated Proceeds to the Fund (2)	
Per Share	\$	\$	0	\$	
Total (3)	\$	\$	0	\$	

- 
- (1) [The estimated subscription price is based upon the average of the last reported sales price per share of the Fund's common stock on the New York Stock Exchange on \_\_\_\_\_, 2009 and the four preceding trading days.
- (2) After deduction of expenses payable by the Fund, estimated at US\$ \_\_\_\_\_.
- (3) Assumes that all rights are exercised in the Primary Subscription (as defined herein).

\_\_\_\_\_, 2009

---

(continued from previous page)

*Investment Policies.* It is the policy of the Fund, under normal market conditions, to invest *substantially* all, but not less than 80%, of its total assets in equity securities of Indian issuers. For purposes of this policy, equity securities of Indian issuers means equity securities (i) of companies organized in, or for which the principal securities trading market is in, India, (ii) denominated in Indian rupees and issued by companies to finance operations in India or (iii) of companies that alone or on a consolidated basis derive 50% or more of their annual revenues primarily from either goods produced, sales made or services performed in India. Currently, the Fund relies solely on the factors set forth in (i) and (iii) when investing in equity securities of Indian issuers and intends to continue to do so in the future. See Investment Objective and Policies.

*Risks of Investing in Indian Companies.* An investment in the Fund should be considered speculative. Investments in Indian companies involve certain risks and special considerations not typically associated with the United States, such as greater government control over the economy, political and legal uncertainty, currency fluctuations or blockage, the risk that the Indian government may decide not to continue to support economic reform programs and the risk of nationalization or expropriation of assets. Additionally, the Indian securities markets are emerging markets characterized by relatively low trading volume, resulting in substantially less liquidity and greater price volatility. Moreover, information available about Indian companies may not be as complete, accurate or timely as information about listed U.S. companies. See Risk Factors and Special Considerations.

The information set forth in this Prospectus regarding India, its economy and The Bombay Stock Exchange Limited has been extracted from various government and private publications. The Fund and its Board of Directors (the Board) have not attempted to verify the statistical information regarding India presented in this Prospectus. In this Prospectus, unless otherwise specified, all references to U.S. dollars, US\$ or \$ are to United States dollars, and to rupees and Rs. are to Indian rupees. On , 2009, the exchange rate published in The Wall Street Journal was Rs. = US\$1.00 and, unless otherwise specified, all Indian rupees have been converted to U.S. dollars at that exchange rate. No representation is made that the Indian rupee or U.S. dollar amounts in this Prospectus could have been or could be converted into Indian rupee or U.S. dollars, as the case may be, at any particular rate or at all. See Appendix A: The Republic of India Exchange Rates for information regarding historical rates of exchange between the Rupee and the U.S. dollar. The fiscal years of the Fund referred to in this Prospectus are years ending December 31.

---

Certain numbers and percentages have been rounded for ease of presentation, which may result in amounts not totaling precisely.

---

Shares of the Fund do not represent a deposit or obligation of, and are not guaranteed by or endorsed by, any bank or other insured depository institution, and are not federally insured by the U.S. Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

TABLE OF CONTENTS

	Page
FORWARD-LOOKING STATEMENTS	1
PROSPECTUS SUMMARY	2
FEE TABLE	8
FINANCIAL HIGHLIGHTS	9
THE OFFER	11
THE FUND	16
USE OF PROCEEDS	17
INVESTMENT OBJECTIVE AND POLICIES	17
RISK FACTORS AND SPECIAL CONSIDERATIONS	21
INVESTMENT RESTRICTIONS	28
MANAGEMENT OF THE FUND	30
PORTFOLIO TRANSACTIONS AND BROKERAGE	40
NET ASSET VALUE	42
DIVIDENDS AND DISTRIBUTIONS; DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN	42
TAXATION	44
COMMON STOCK	49
DIVIDEND PAYING AGENT, TRANSFER AGENT AND REGISTRAR	52
CUSTODIAN	52
CODE OF ETHICS	52
PROXY VOTING POLICY AND PROCEDURES	53
LEGAL MATTERS	53
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	53
ADDITIONAL INFORMATION	53
FINANCIAL STATEMENTS	53
Appendix A The Republic of India	A-1
Appendix B Description of Various Foreign Currency and Interest Rate Hedges and Options on Securities and Futures Contracts and Related Options	B-1
Appendix C Morgan Stanley Investment Management Proxy Voting Policy and Procedures	C-1

**The information contained in this Prospectus speaks only as of the date of this Prospectus unless the information specifically indicates that another date applies. No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Prospectus in connection with the offer contained herein and, if given or made, such information or representations must not be relied upon as having been authorized by the Fund.**

#### **FORWARD-LOOKING STATEMENTS**

The Fund may not claim the safe harbor for forward-looking statements contained in the federal securities laws of the United States because that safe harbor does not apply to investment companies. Nevertheless, you should note that certain statements in this Prospectus are prospective in nature, which involve known and unknown risks, uncertainties and other factors that may cause the Fund's actual results or level of performance to be materially different from any future results or level of performance expressed or implied by such forward-looking statements. Such factors include, among others, those listed under Risk Factors and Special Considerations, Appendix A: The Republic of India and elsewhere in this Prospectus. As a result of these and other factors, the Fund cannot give you any assurances as to its future results or level of performance. To the extent required by law, the Fund undertakes to amend or reflect any material changes to the information presented in this Prospectus after the date of this Prospectus.

## PROSPECTUS SUMMARY

*The following is qualified in its entirety by the more detailed information included elsewhere in this Prospectus. You should read the entire Prospectus before you decide whether to exercise your rights. In particular, you should carefully read the risks of investing in the Shares, as discussed under Risk Factors and Special Considerations.*

### The Offer at a Glance

#### *Terms of the Offer*

Morgan Stanley India Investment Fund, Inc. (the Fund) is issuing to its common stockholders of record (Record Date Stockholders) as of the close of business on \_\_\_\_\_, 2009 (the Record Date) non-transferable rights (the Rights) to subscribe for up to an aggregate of \_\_\_\_\_ shares (the Shares) of the common stock, par value \$0.01 per share (the Common Stock), of the Fund (the Offer). Each Record Date Stockholder will receive one Right for each whole share of Common Stock owned on the Record Date. Each Record Date Stockholder needs four Rights to purchase one Share at the Subscription Price (as hereinafter defined). The Fund will not issue fractional Shares upon the exercise of less than four Rights. The Rights will not be listed for trading on the New York Stock Exchange or any other exchange; however, the Shares issued upon the exercise of the Rights will be listed for trading on the New York Stock Exchange. Rights may be exercised at any time from \_\_\_\_\_, 2009 through 5:00 p.m., New York time, on \_\_\_\_\_, 2009, unless extended by the Fund (the Subscription Period). The right of a Record Date Stockholder to acquire Shares during the Subscription Period is hereinafter referred to as the Primary Subscription. Since the Subscription Price will be determined after the expiration of the Subscription Period, Record Date Stockholders who exercise their Rights will not know the Subscription Price at the time they exercise their Rights and stockholders should consider the possibility that the Subscription Price could be greater than the market price of the Fund's shares at the close of trading on the last day of the Subscription Period. Once a Record Date Stockholder subscribes for Shares and the Fund receives payment or a guarantee of payment, the Record Date Stockholder will not be able to change his or her decision. In certain instances described below under Over-Subscription Privilege, the Fund may increase the number of shares of Common Stock subject to subscription by up to 25% of the Shares. See The Offer.

#### *Over-Subscription Privilege*

Each Record Date Stockholder who fully exercises all Rights issued to him or her is entitled to subscribe for Shares which were not otherwise subscribed for by others in the Primary Subscription (the Over-Subscription Privilege). If enough Shares are available, all of these requests will be honored in full. If these requests for Shares exceed the Shares available, the Fund may determine after the expiration of the Offer, in the discretion of the Board, to issue additional Common Stock up to an amount equal to 25% of the Shares available pursuant to the Offer (up to an additional \_\_\_\_\_ shares of Common Stock) in order to cover these requests. Regardless of whether the Fund issues such additional Shares, to the extent Shares are not available to honor all requests, the available Shares will be allocated *pro rata* among those Record Date Stockholders who over-subscribe based on the number of Rights originally issued to them by the Fund.

#### *Subscription Price*

The Subscription Price per Share ( Subscription Price ) will be . The Subscription Price is discussed further under The Offer Subscription Price. In addition, information with respect to the quarterly high and low sale prices of the Fund s Common Stock on the New York Stock Exchange and the quarterly high and low net asset values per share of Common Stock is provided under Common Stock.

***Exercising Rights***

Rights will be evidenced by Subscription Certificates and may be exercised by delivering to (the Subscription Agent ) a completed Subscription Certificate, together with payment, or by delivering a Notice of Guaranteed Delivery. The Notice of Guaranteed Delivery or Subscription Certificates together with payment should be addressed, if sent by first class mail or overnight courier to [address] or, if delivered by hand, to , [address]. Those Record Date Stockholders who subscribe in the Primary Subscription, or Exercising Rights Holders, will have no right to rescind a purchase after the Subscription Agent has received a completed Subscription Certificate or Notice of Guaranteed Delivery. See The Offer Exercise of Rights and The Offer Payment for Shares. There is no minimum number of Rights which must be exercised for the Offer to close.

***Non-Transferability of Rights***

The Rights are non-transferable and, therefore, may not be purchased or sold. Rights not exercised will expire without residual value at the Expiration Date. The Rights will not be listed for trading on the New York Stock Exchange or any other securities exchange. However, the Shares to be issued pursuant to the Offer will be listed for trading on the New York Stock Exchange, subject to the New York Stock Exchange being officially notified of the issuance of those Shares.

***Foreign Restrictions***

Subscription Certificates will not be mailed to Record Date Stockholders whose record addresses are outside the United States ( Foreign Record Date Stockholders ) (the term United States includes its territories and possessions and the District of Columbia). The Rights to which such Subscription Certificates relate will be held by the Subscription Agent for such Foreign Record Date Stockholders accounts until instructions are received to exercise the Rights. If no instructions are received prior to the Expiration Date, the Rights will expire. See The Offer Foreign Stockholders.

***Purpose of the Offer***

The Board of the Fund has determined that it is in the best interests of the Fund and its stockholders to increase the assets of the Fund available for investment so that the Fund will be in a better position to take full advantage of investment opportunities in India. The Board believes that increasing the size of the Fund will increase the liquidity of the Fund s shares of Common Stock and also reduce the Fund s expenses as a proportion of average net assets. In addition, the Offer seeks to reward the Fund s stockholders by giving them the right to purchase additional shares of Common Stock at a price that may be below market without incurring any direct transaction costs. The Offer will benefit both the Fund and its stockholders by providing the Fund with the ability to make additional investments without selling current investments if otherwise not desirable. See The Offer Purpose of the Offer.

***Tax Consequences***

For federal income tax purposes, neither the receipt nor the exercise of the rights should result in taxable income to you. You will not realize a taxable loss if your rights expire without being exercised. See The Offer U.S. Federal Income Tax Consequences of the Offer.

***Use of Proceeds***

The net proceeds of the Offer, assuming all Shares offered hereby are sold, are estimated to be approximately US\$ , after deducting offering expenses payable by the Fund estimated to be approximately US\$ . The Fund intends to invest the net offering proceeds in accordance with its investment goals and policies. The Fund anticipates that investment of the net proceeds of the Offer in accordance with the Fund's investment goal and policies may take up to months from their receipt by the Fund, depending on market conditions and the availability of appropriate securities. The Fund may require up to months due to the

Fund s need to invest substantially all of its assets in the securities of issuers organized under the laws of a foreign jurisdiction. See Use of Proceeds.

**Information Agent and Subscription Agent**

The Information Agent for the Offer is:

**Toll-Free:**

**or**

**For banks and brokers:**

The Subscription Agent for the Offer is:

**Important Dates to Remember**

<b>Event</b>	<b>Date</b>
Record Date	, 2009
Subscription Period	, 2009 to , 2009*
Expiration Date and pricing date	, 2009*
Subscription Certificates and payment for Shares due**	, 2009*
Notice of Guaranteed Delivery due	, 2009*
Subscription Certificate and payment for guarantees of delivery due**	, 2009*
Confirmation mailed to participants	, 2009*
Final payment for Shares***	, 2009*

\* Unless the Offer is extended.

\*\* A Record Date Stockholder exercising rights must deliver by the Expiration Date either (i) a Subscription Certificate and payment for Shares or (ii) a Notice of Guaranteed Delivery. A Notice of Guaranteed Delivery is a form sent by your broker-dealer, bank or trust company that guarantees on your behalf delivery of the Subscription Certificate and payment by the close of business on the third business day after the Expiration Date.

\*\*\* Additional amount due (in the event the Subscription Price exceeds the Estimated Subscription Price).

**The Fund at a Glance**

***Information Regarding the Fund***

The Fund has been engaged in business as a non-diversified, closed-end management investment company since it first issued its Common Stock to the public on February 25, 1994. The Fund is designed for investors desiring to invest a portion of their assets in Indian equity securities. The Fund invests primarily in equity securities (i) of companies organized in, or for which the principal trading market is in, India, (ii) denominated in rupees issued by companies to finance operations in India or (iii) of companies that alone or on a consolidated basis derive 50% or more of their revenues primarily from either goods produced, sales made or services performed in India (collectively, "Indian issuers"). It is the policy of the Fund, under normal market conditions, to invest substantially all, but not less than 80%, of its total assets in equity securities of Indian issuers, which for this purpose means common and preferred stock (including convertible preferred stock), bonds, notes and debentures convertible into common or preferred stock, stock purchase warrants and rights, equity interests in trusts and partnerships and American, Global or other types of Depositary Receipts. See "Investment Objective and Policies." There can be no assurance that the Fund's investment objective will be achieved. See "Risk Factors and Special Considerations."

As of \_\_\_\_\_, 2009, the Fund had \_\_\_\_\_ shares outstanding, which are listed and traded on the New York Stock Exchange under the symbol IIF. See "Common Stock." As of \_\_\_\_\_, 2009, the net assets of the Fund were US\$ \_\_\_\_\_.

**Information Regarding the Fund's Adviser, Sub-Adviser, Administrator, Sub-Administrator and Custodian**

The investment adviser to the Fund is Morgan Stanley Investment Management Inc. (the Adviser), a Delaware corporation, whose address is 522 Fifth Avenue, New York, New York 10036. The Adviser is a wholly-owned subsidiary of Morgan Stanley, a preeminent global financial services firm engaged in securities trading and brokerage activities, as well as providing investment banking, research and analysis, financing and financial advisory services.

Morgan Stanley Investment Management Inc. provides certain day-to-day investment management services to the Fund under the terms of an Investment Advisory and Management Agreement. Under the Investment Advisory and Management Agreement, the Adviser is paid a fee computed weekly and payable monthly at an annual rate of 1.10% of the Fund's average weekly net assets. The Adviser is a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the Advisers Act). As of March 31, 2009, the Adviser, together with its affiliated asset management companies, had approximately US\$356.0 billion in assets under management. See Management of the Fund.

Morgan Stanley Investment Management Company (the Sub-Adviser), a wholly-owned subsidiary of Morgan Stanley, provides investment sub-advisory services to the Fund pursuant to a Sub-Advisory Agreement between the Adviser and the Sub-Adviser. The Sub-Adviser has been retained, subject to the overall supervision of the Adviser and the Directors of the Fund, to continuously furnish investment advice concerning individual security selections, asset allocations and economic trends and to manage the Fund's portfolio.

Morgan Stanley Investment Management Inc. also serves as administrator (the Administrator) to the Fund pursuant to an Administration Agreement. Under the Administration Agreement, the Administrator is paid a fee at a rate of 0.08% of the Fund's average weekly net assets. As approved by the Board, the Administrator has agreed to limit this administration fee so that it will be no greater than 0.02435% of the Fund's average weekly net assets plus \$24,000 per annum. This waiver is voluntary and may be terminated at any time. The Administration Agreement covers administrative costs (including out-of-pocket expenses incurred in the ordinary course of providing services under the Administration Agreement, which were previously borne by the Fund), except pricing services and extraordinary expenses.

Under a sub-administration agreement between the Administrator and J.P. Morgan Investor Services Co. (JPMIS), a corporate affiliate of JPMorgan Chase Bank, N.A., JPMIS provides certain administrative services to the Fund. For such services, the Administrator pays JPMIS a portion of the fee the Administrator receives from the Fund. Administration costs (including out-of-pocket expenses) incurred in the ordinary course of providing services under the administration agreement, except pricing services and extraordinary expenses, are covered under the administration fee.

Multiconsult, Ltd., whose registered office is in Mauritius, provides administrative services to the Fund, including maintaining certain Fund records and preparing certain periodic filings, under an agreement whereby Multiconsult is paid a fee of \$22,000 per annum.

JPMorgan Chase Bank, N.A. (the Custodian) serves as custodian for the Fund. The Custodian holds cash, securities and other assets of the Fund as required by the Investment Company Act of 1940, as amended (the Investment Company Act). Custody fees are payable monthly based on assets held in custody, investment purchases and sales activity and account maintenance fees, plus reimbursement for certain out-of-pocket expenses.

**Dividends and Distributions; Dividend Reinvestment and Cash Purchase Plan**

The Fund intends to distribute to stockholders, at least annually, substantially all of its net investment income and any net realized capital gains. Unless Computershare Trust Company, N.A., the Dividend Reinvestment and Cash Purchase Plan Agent (the Plan Agent ), is otherwise instructed in writing in the manner described under Dividends and Distributions; Dividend Reinvestment and Cash Purchase Plan, stockholders are presumed to have elected to have all distributions automatically reinvested in shares of the Fund. Stockholders who have distributions automatically reinvested may also make additional payments into the dividend reinvestment and cash purchase plan

to purchase shares of the Fund on the open market. See Dividends and Distributions; Dividend Reinvestment and Cash Purchase Plan.

### **Risk Factors and Special Considerations**

*You should carefully consider the following factors, as well as the other information in this Prospectus, before making an investment in the Fund under this Offer.*

*Risks Related to the Offer.* Record Date Stockholders who do not fully exercise their Rights should expect that they will, at the completion of the Offer, own a smaller proportional interest in the Fund than would otherwise be the case and may also incur dilution of ownership and voting, as well as dilution of their shares of any distributions made by the Fund, as a result of the Offer. This dilution may occur because a stockholder could own a smaller interest in the Fund after the Offer than he or she owned prior to the Offer. In addition, if a stockholder does not submit a subscription request pursuant to the Over-Subscription Privilege, he or she may also experience dilution of ownership and voting, as well as dilution of his or her share of any distributions made by the Fund, if the Fund offers additional shares for subscription.

*Investment Risk.* You may lose money by investing in the Fund, including the possibility that you may lose all of your investment. An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the U.S. Federal Deposit Insurance Corporation ( FDIC ) or any other governmental agency.

Among the principal risks of investing in the Fund is market risk, which is the risk that the value of your investment may fluctuate as stock markets fluctuate.

As an investment company that primarily holds common stocks, the Fund's portfolio is subject to the possibility that common stock prices will decline over short or even extended periods. The Fund may remain substantially fully invested during periods when stock prices generally rise and also during periods when they generally decline. Risks are inherent in investments in equities, and Fund stockholders should be able to tolerate significant fluctuations in the value of their investment in the Fund.

In addition, the Fund may invest up to 20% of its assets in debt securities whose value will tend to decrease as interest rates rise.

The Fund is intended to be a long-term investment vehicle and is not designed to provide investors with a means of speculating on short-term stock market movements. Investors should not consider the Fund a complete investment program.

*Risks of Investing in Equity Securities of Indian companies.* Investing in securities of Indian companies involves certain risks and considerations not typically associated with investing in securities of U.S. issuers, including generally (a) controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange Rupees for U.S. dollars, (b) greater price volatility, substantially less liquidity and significantly smaller market capitalization of securities markets, (c) currency devaluations and other currency exchange rate fluctuations, (d) more substantial governmental involvement in the economy, (e) higher rates of inflation and (f) greater political, economic and social uncertainty. Furthermore, future actions of the Indian Government or religious and ethnic unrest could have a significant impact on the economy, which could adversely affect private sector companies and the Fund. In addition, accounting, auditing and financial reporting standards in India are different from U.S. standards and, therefore, disclosure of certain material information may not be made and less information may be available to the Fund and other investors than would be the case if the Fund's investments were restricted to securities of U.S. issuers. There is also generally less governmental regulation of the securities industry in India, and less enforcement of regulatory provisions relating thereto, than in the United States. Moreover, it may be more difficult to obtain a judgment in a court outside the United States. The Fund will be subject to withholding taxes, including withholding taxes imposed on dividends, interest and realized capital gains by the government of India. See Risk Factors and Special Considerations and Taxation.

*Investments in Unlisted Securities.* While the Fund expects primarily to invest in equity securities of publicly traded Indian issuers, it may invest up to 25% of its total assets in unlisted equity securities of Indian issuers to the extent permitted by any local investment restrictions. These investments may involve a high degree of business and financial risk. Because of the absence of any liquid trading market for these investments, the Fund may take longer to liquidate these positions than it would in the case of listed securities. In addition to financial and business risks, issuers whose securities are not publicly traded may not be subject to the same disclosure requirements applicable to issuers whose securities are publicly traded. See Risk Factors and Special Considerations Illiquid Securities Risk.

*Recent Developments in Financial Markets and Impact on the Fund.* Recent developments in the U.S. and foreign financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. Conditions in the debt and equity capital markets in the United States and abroad have caused firms in the financial services sector to take significant losses relating to, among other things, subprime mortgages and the re-pricing of credit risk in the broadly syndicated loan market. The recent instability in the financial markets has led the U.S. Government and certain foreign governments to take unprecedented actions designed to support certain financial institutions and segments of the financial markets that have experienced extreme volatility, and in some cases a lack of liquidity. Federal, state and other governments, their regulatory agencies or self-regulatory organizations may take actions that affect the regulation of the securities in which the Fund invests, or the issuers of such securities in which the Fund invests, in unforeseeable ways that could have a material adverse effect on the Fund's business and operations. Such legislation or regulation could limit or preclude the Fund's ability to achieve its investment objective. Furthermore, volatile financial markets can expose the Fund to greater market and liquidity risk and potential difficulty in valuing portfolio instruments held by the Fund.

*Net Asset Value Discount.* Shares of closed-end investment companies frequently trade at a discount from net asset value. This characteristic is a risk separate and distinct from the risk that the Fund's net asset value will decrease. The Fund cannot predict whether its shares will trade at, above or below net asset value, and the shares of the Fund have traded at a discount for extended periods. Accordingly, the Common Stock of the Fund is designed primarily for long-term investors and should not be considered a vehicle for trading purposes. See Risk Factors and Special Considerations Net Asset Value Discount; Non-Diversification and Common Stock.

*Non-Diversification.* The Fund is classified as a non-diversified investment company under the Investment Company Act, which means that the Fund is not limited by the Investment Company Act in the proportion of its assets that may be invested in the securities of a single issuer. As a non-diversified investment company, the Fund may invest a greater proportion of its assets in the securities of a smaller number of issuers and, as a result, may be subject to greater risk with respect to portfolio securities. However, the Fund intends to comply with the diversification requirements imposed by the U.S. Internal Revenue Code of 1986, as amended (the Code), for qualification as a regulated investment company. See Risk Factors and Special Considerations Net Asset Value Discount; Non-Diversification.

*Certain Provisions of the Articles of Incorporation.* The Fund's Articles of Incorporation contain certain anti-takeover provisions that may have the effect of inhibiting the Fund's possible conversion to open-end status and limiting the ability of other persons to acquire control of the Fund. In certain circumstances, these provisions might also inhibit

the ability of stockholders to sell their shares at a premium over the prevailing market prices. See Risk Factors and Special Considerations Anti-Takeover Provisions and Common Stock.

**FEE TABLE**

The following Fee Table is intended to assist prospective investors in understanding the costs and expenses that an investor in the Offer will bear directly or indirectly.

<b>Stockholder Transaction Expenses:</b>	
Sales Load	None
Expenses of the Offer (as a percentage of offering price)	%
Dividend Reinvestment and Cash Purchase Plan Fees	None
<b>Annual Expenses</b> (as a percentage of net assets):	
Management Fees	1.10%
Other Expenses (1)(2)	%
<b>Total Annual Expenses</b> (2)	%

<b>Example</b>	<b>Cumulative Expenses Paid for the Period of:</b>			
	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
An investor would pay the following expenses on a US\$1,000 investment, assuming a 5% annual return throughout the periods (3)	US\$	US\$	US\$	US\$

The Example set forth above assumes reinvestment of all dividends and distributions at net asset value and an expense ratio of % . The tables above and the assumption in the Example of a 5% annual return are required by U.S. Securities and Exchange Commission (the SEC ) regulations applicable to all investment companies. **The Example should not be considered a representation of past or future expenses or annual rates of return and actual expenses or annual rates of return may be more or less than those assumed for purposes of the Example.**

The figures provided under Other Expenses are calculated on the basis of the Fund's asset size after taking into account the estimated net proceeds of the Offer assuming it is fully subscribed. See Management of the Fund for additional information.

- 
- (1) Does not include expenses of the Fund incurred in connection with the Offer, estimated at US\$ . However, these expenses will be borne by the holders of the shares of Common Stock of the Fund and result in a reduction of the net asset value of the shares of Common Stock.
  - (2) The Adviser has voluntarily agreed to waive receipt of a portion of the administration fee so that the administration fee will not exceed 0.02435% of the Fund's average weekly net assets plus \$24,000 per annum. The Net Annual Expenses taking into account the fee waiver would be %.
  - (3) The Example reflects the expenses of the Fund incurred in connection with the Offer and assumes that all of the Rights are exercised.

## FINANCIAL HIGHLIGHTS

The table below sets forth selected data for a share of Common Stock outstanding for each period presented. The year end information contained in the table for the nine fiscal years ended December 31, 2008 has been audited by \_\_\_\_\_, the Fund's independent registered public accounting firm. This information for the five fiscal years ended December 31, 2008 is included in the Fund's Annual Report to Stockholders as of December 31, 2008, and which is incorporated by reference into this Prospectus. The year end information in the table for the period ended December 31, 1999 has been audited by the Fund's previous accounting firm. This information should be read in conjunction with the Financial Statements and Notes thereto which appear in the Annual Report and which are incorporated by reference into this Prospectus.

	For the Fiscal Year Ended									
	December 31,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Per Share Operating Performance</b>										
Net Asset Value, Beginning of Period	\$ 56.81	\$ 46.29	\$ 37.33	\$ 29.09	\$ 22.95	\$ 11.98	\$ 10.53	\$ 13.92	\$ 22.59	\$ 9.19
Net Investment Income (Loss)	(0.16)	(0.18)	(0.06)	0.06	0.11	0.16	0.03	0.10	0.02	(0.08)
Net Realized and Unrealized Gain (Loss) on Investments	(33.18)	27.38	14.32	12.18	6.12	11.01	1.39	(2.43)	(7.93)	13.33
Total from Investment Operations	(33.34)	27.20	14.26	12.24	6.23	11.17	1.42	(2.33)	(7.91)	13.25
Distributions from and/or in Excess of:										
Net Investment Income	(0.20)	(0.16)		(0.28)	(0.09)	(0.20)	(0.01)	(0.23)		N/A