

INDIA FUND INC
Form N-CSRS
September 02, 2016

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
Exact name of registrant as specified in charter:	The India Fund, Inc.
Address of principal executive offices:	1735 Market Street, 32 nd Floor Philadelphia, PA 19103
Name and address of agent for service:	Ms. Andrea Melia Aberdeen Asset Management Inc. 1735 Market Street 32 nd Floor Philadelphia, PA 19103
Registrant's telephone number, including area code:	800-522-5465
Date of fiscal year end:	December 31
Date of reporting period:	June 30, 2016

Item 1 - Reports to Stockholders.

The Report to Shareholders is attached herewith.

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, 2016. The Fund's investment objective is long-term capital appreciation, which the Fund seeks to achieve by investing primarily in the equity securities of Indian companies.

NAV Total Return Performance

For the six-month period ended June 30, 2016, the total return to shareholders of the Fund based on the net asset value ("NAV") of the Fund, net of fees, was 7.8%, assuming reinvestment of dividends and distributions, versus a return of 1.1% for the Fund's benchmark, the MSCI India Index. The Fund's total returns for the six-month period ended June 30, 2016 are based on the reported NAV on each financial reporting period end.

Share Price Total Return Performance & Discount

For the six-month period ended June 30, 2016, based on market price, the Fund's total return was 6.9%, assuming reinvestment of dividends and distributions. The Fund's share price increased 6.9% over the six-month period from \$22.74 on December 31, 2015 to \$24.30 on June 30, 2016. The Fund's share price on June 30, 2016 represented a discount of 13.1% to the NAV per share of \$27.97 on that date, compared with a discount of 12.4% to the NAV per share of \$25.95 on December 31, 2015.

Targeted Discount Policy

The Fund's targeted discount policy seeks to manage the Fund's discount by buying back shares of common stock in the open market at times when the Fund's shares trade at a discount of 10% or more to NAV. With the approval of the elimination of the semi-annual repurchase offers, the Board of Directors agreed to review the targeted volume-weighted average discount after a two-year period commencing from the completion of the tender offer that expired on April 3, 2014. If a 10% or less volume-weighted average discount is not attained over the two-year period, the Board may, but is not obligated to, consider other actions to address the discount. The targeted discount policy, which became effective upon the elimination of the Fund's interval structure, extended the Fund's prior open market repurchase policy. The Board approved a renewal of its targeted discount policy for an additional two-year period commencing on April 4, 2016. During the six-month period ended June 30, 2016 the Fund repurchased 358,593 shares with a weighted average discount to NAV of 12.60%. During the year ended December 31, 2015, the Fund repurchased 360,209 shares with a weighted average discount to NAV of 11.98%.

Portfolio Holdings Disclosure

The Fund's complete schedule of portfolio holdings for the second and fourth quarters of each fiscal year is included in the Fund's semi-annual and annual reports to shareholders. The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("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 Fund's most recent 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 1-800-522-5465.

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 31 of the relevant year: (i) upon request and without charge by calling Investor Relations toll-free at 1-800-522-5465 and (ii) on the SEC's website at <http://www.sec.gov>.

Unclaimed Share Accounts

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Please be advised that abandoned or unclaimed property laws for certain states require financial organizations to transfer (escheat) unclaimed property (including Fund shares) to the state. Each state has its own definition of unclaimed property, and triggers generally include inactivity (e.g., no owner-generated activity for a certain period), returned mail (e.g., when mail sent to a shareholder is returned to the Fund's transfer agent as undeliverable), or a combination of both. If your Fund shares are categorized as unclaimed, your financial advisor or the Fund's transfer agent will follow the applicable state's statutory requirements to contact you, but if unsuccessful, laws may require that the shares be escheated to the appropriate state. For more information on unclaimed property and how to maintain an active account, please contact your financial adviser or the Fund's transfer agent.

Investor Relations Information

As part of Aberdeen's commitment to shareholders, we 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®, portfolio charting and other timely data.

The India Fund, Inc.

Letter to Shareholders (unaudited) (concluded)

Enroll in our email services and be among the first to receive the latest closed-end fund news, announcements of upcoming fund manager webcasts, films and other information. In addition, you can receive electronic versions of important Fund documents including annual reports, semi-annual reports, prospectuses, and proxy statements. Sign-up today at www.aberdeen-asset.us/aam.nsf/usclosed/email.

Please take a look at Aberdeen's award-winning Closed-End Fund Talk Channel, where a series of fund manager webcasts and short films are posted. Visit Aberdeen's Closed-End Fund Talk Channel at www.aberdeen-asset.us/aam.nsf/usclosed/aberdeentv.

Contact Us

Visit us: <http://www.aberdeen-asset.us/cef> or www.aberdeenenifn.com

Watch us: www.aberdeen-asset.us/aam.nsf/usclosed/aberdeentv

Email us: InvestorRelations@aberdeen-asset.com

Call us: 1-800-522-5465 (toll free in the U.S.)

Yours sincerely,

/S/ Alan R. Goodson

Alan R. Goodson

President

All amounts are U.S. Dollars unless otherwise stated.

¹ The MSCI India Index is designed to measure the performance of the large and mid cap segments of the Indian market. With 73 constituents, the index covers approximately 85% of the Indian equity universe. Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected. You cannot invest directly in an index.

The India Fund, Inc.

Report of the Investment Manager (unaudited)

Market review

Indian equities, as measured by the Morgan Stanley Capital International (MSCI) India Index,¹ rose 1.1% during the six-month period ended June 30, 2016. The market was volatile throughout the period, battered at first by a global sell-off at the beginning of 2016, as investors remained fixated on a precarious China and free-falling commodity prices. Extraordinary measures from major central banks, a dovish U.S. Federal Reserve and subsequent stabilization of oil prices helped restore global equilibrium to an extent. However, investor sentiment toward India was slower to recover given concerns over the challenging state of some public-sector banks.

Nevertheless, equities rebounded in the wake of the Bharatiya Janata Party's largely pedestrian budget, with investors apparently relieved at the absence of any negative surprises. Investor sentiment was also lifted by better-than-expected economic growth and above-average monsoon forecasts. India was among the most resilient following the UK's unexpected decision to leave the European Union (Brexit).

Reserve Bank of India (RBI) chief Raghuram Rajan announced he will not extend his term when it ends in September. While he has played an important role in helping to restore credibility to the central bank, his tenure has reflected a team effort and the government has been just as important in helping to restore credibility of the central bank, in our opinion. In August, Prime Minister Narendra Modi appointed Dr. Urjit Patel as the new RBI governor. We believe that Patel's appointment is confirmation that Modi is committed to reforms. With important state elections coming up in 2017, he has resisted the temptation to appoint a governor who will promote short-term growth at the expense of long-term development, in our opinion.

The RBI cut interest rates just once during the period, as inflationary uncertainties remain. Meanwhile, Parliament passed the country's first national bankruptcy law, providing a unified framework for the recovery of debt from insolvent companies within 180 days.

Performance

The Fund outperformed its benchmark, the MSCI India Index, for the six-month period ended June 30, 2016. Both overall stock selection and asset allocation had a positive impact on Fund performance.

The materials sector was, by far, the strongest performer within the index during the reporting period, with cement stocks performing particularly well following the government's budget commitment to increase infrastructure spending and excise duty exemptions. Therefore, the Fund's overweight position to the cement sector

relative to the benchmark contributed to Fund performance. Contributors to performance at the stock level included Ambuja Cements, Ultratech Cement and its parent, Grasim Industries, as their share prices rallied over the period. Grasim Industries benefited further from reporting robust profits for the fourth quarter of its 2016 fiscal year, driven by both its cement and viscose staple fiber businesses.

Stock selection in healthcare also had a positive impact on Fund performance, led by diversified conglomerate Piramal Enterprises, which was buoyed by its intention to restructure into two separate listed companies in an effort to unlock value. Additionally, the Fund's exposure to the consumer-related sectors contributed to Fund performance. Godrej Consumer Products continued to outperform its peers on the back of healthy operating results. Auto-related holdings Bosch and Hero MotoCorp were lifted by the government budget's focus on farmers, on expectations of a surge in rural demand for vehicles.

Shares of financial companies saw weak performance during the reporting period on growing concerns over lending practices at some public-sector banks. The Fund holds only private-sector banks, which we believe are in better shape than their state-owned counterparts. However, shares of the Fund's holding in ICICI Bank came under pressure after ICICI reported deterioration in non-performing loans, mainly attributable to the Reserve Bank of India's more stringent review requirements, which affected one particular steel-sector loan. Loan loss provisions also increased sharply. Nonetheless, we believe that these setbacks have now been priced into the stock. Additionally, the Fund's lack of exposure to Larsen & Toubro detracted from fund performance, as the conglomerate's shares rose after it posted better-than-expected results and issued an upbeat annual sales forecast.

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We consider absolute return to be of the utmost importance over the long term, and we are benchmark-aware, but not benchmark-driven. We do not equate the quality of a company with either market capitalization size or index membership. Therefore, indices do not necessarily serve as a starting point for our portfolio construction, and we are comfortable taking positions that differ from the benchmark.

Outlook

As the fallout from Brexit leaves investors skeptical about developed markets, we believe that India stands to gain from potential renewed interest in emerging markets. In our view, the

¹ Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected. You cannot invest directly in an index. Index performance is not an indication of the performance of the Fund itself. For complete fund performance, please visit aberdeen-asset.us.

The India Fund, Inc.

Report of the Investment Manager (unaudited) (concluded)

promising monsoon rains and positive economic growth data offer a boost to investors' risk appetite, and we believe that India remains one of the few bright spots in Asia from a macroeconomic perspective. Given the important role that Raghuram Rajan has played in the central bank and his stature as a well-respected figure by foreign investors, we anticipate some volatility from his departure, especially for the rupee. However, Rajan remains at the helm until September and the central bank intends to support the currency. Additionally, Urjit Patel, Rajan's successor, was chairman of the committee that recommended the adoption of a flexible inflation-targeting framework that seeks to achieve positive real interest rates by shifting the inflation reference rate from the Wholesale Price Index to the Consumer Price Index. Notwithstanding the uncertainties, we remain focused on selecting and holding stocks that we believe have good fundamentals, and using volatility in an effort to diversify² the Fund's portfolio.

Aberdeen Asset Management Asia Limited

² Diversification does not ensure a profit or protect against a loss in a declining market.

The India Fund, Inc.

Total Investment Returns (unaudited)

The following table summarizes the average annual Fund total investment return compared to the Fund's benchmark, the MSCI India Index, for the 1-year, 3-year, 5-year and 10-year periods as of June 30, 2016.

	1 Year	3 Years	5 Years	10 Years
Net Asset Value (NAV)	2.9%	14.8%	4.1%	8.7%
Market Value	-0.5%	15.4%	2.6%	4.5%
MSCI India Index	-6.5%	7.1%	-0.4%	6.3%

*Aberdeen Asset Management Inc. (AAMI) has entered into an agreement with the Fund to limit investor relations services fees, without which performance would be lower. See Note 3 in the Notes to Financial Statements. Returns represent past performance. Total investment return at NAV is based on changes in the NAV of Fund shares and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the Fund's dividend reinvestment program. All return data at NAV includes fees charged to the Fund, which are listed in the Fund's Statement of Operations under Expenses. The Fund's total return is based on the reported NAV on each annual period end. 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 at www.aberdeenifn.com or by calling 800-522-5465.*

The annualized net operating expense ratio for the six-month period ended June, 30, 2016 was 1.36%.

The India Fund, Inc.

Portfolio Summary (unaudited)

The following table summarizes the composition of the Fund's portfolio, in Standard & Poor's Global Industry Classification Standard (GICS) Sectors, expressed as a percentage of net assets. The GICS structure consists of 10 sectors, 24 industry groups, 67 industries and 156 subindustries. As of June 30, 2016, the Fund did not have more than 25% of its assets invested in any industry. The sectors, as classified by GICS sectors, are comprised of several industries.

As of June 30, 2016, the Fund held 98.7% of its net assets in equities, 0.1% in a short-term investment and 1.2% in other assets in excess of liabilities.

Sector Allocation	As a Percentage of Net Assets
Financials	19.7%
Consumer Staples	17.1%
Materials	17.1%
Information Technology	17.0%
Health Care	11.8%
Consumer Discretionary	7.9%
Industrials	5.5%
Telecommunication Services	1.8%
Utilities	0.8%
Other	1.3%
	100.0%

Top Ten Equity Holdings (unaudited)

The following were the Fund's top ten holdings as of June 30, 2016:

Name of Security	As a Percentage of Net Assets
Housing Development Finance Corp. Ltd.	8.7%
Tata Consultancy Services Ltd.	7.6%
Infosys Ltd.	7.0%
ITC Ltd.	5.3%
UltraTech Cement Ltd.	5.1%
ICICI Bank Ltd.	4.4%
Bosch Ltd.	4.3%
Ambuja Cements Ltd.	4.3%
Godrej Consumer Products Ltd.	4.0%
Hindustan Unilever Ltd.	4.0%

Portfolio of Investments (unaudited)

As of June 30, 2016

Shares	Description	Value (US\$)
LONG-TERM INVESTMENTS 98.7%		
COMMON STOCKS 98.7%		
INDIA 98.5%		
AUTO COMPONENTS 4.3%		
104,401	Bosch Ltd. (a)	\$ 35,018,627
AUTOMOBILES 3.6%		
612,823	Hero MotoCorp Ltd. (a)	28,739,965
BANKS 11.0%		
1,400,000	HDFC Bank Ltd. (a)	24,419,184
9,850,000	ICICI Bank Ltd. (a)	35,232,365
2,560,000	Kotak Mahindra Bank Ltd. (a)	28,964,648
88,616,197		
CHEMICALS 4.1%		
1,735,880	Asian Paints Ltd. (a)	25,693,908
1,300,000	Castrol (India) Ltd. (a)	7,309,405
33,003,313		
CONSTRUCTION MATERIALS 13.0%		
489,000	ACC Ltd.(a)	11,789,936
9,026,000	Ambuja Cements Ltd. (a)	34,328,283
250,085	Grasim Industries Ltd. (a)	17,230,434
818,000	UltraTech Cement Ltd. (a)	41,455,666
104,804,319		
DIVERSIFIED TELECOMMUNICATION SERVICES 0.8%		
1,340,000	Bharti Infratel Ltd. (a)	6,889,125
ELECTRIC UTILITIES 0.8%		
6,052,337	Tata Power Co. Ltd. (a)	6,608,327
ELECTRICAL EQUIPMENT 1.1%		
499,224	ABB India Ltd. (a)	9,035,221
FOOD PRODUCTS 3.3%		
276,810	Nestle India Ltd. (a)	26,868,174
HOUSEHOLD PRODUCTS 4.0%		
2,420,000	Hindustan Unilever Ltd. (a)	32,255,896
INFORMATION TECHNOLOGY SERVICES 16.8%		
3,264,000	Infosys Ltd. (a)	56,697,859
2,030,000	Mphasis Ltd. (a)	17,269,078
1,625,056	Tata Consultancy Services Ltd. (a)	61,466,331
135,433,268		
MACHINERY 0.7%		
240,430	Cummins India Ltd. (a)	3,010,552
237,758	Thermax Ltd. (a)	2,907,033
5,917,585		

See Notes to Financial Statements.

The India Fund, Inc.

Portfolio of Investments (unaudited) (concluded)

As of June 30, 2016

Shares	Description	Value (US\$)
LONG-TERM INVESTMENTS (continued)		
COMMON STOCKS (continued)		
PERSONAL PRODUCTS 4.5%		
233,000	Emami Ltd. (a)	\$ 3,825,130
1,368,240	Godrej Consumer Products Ltd. (a)	32,589,784
		36,414,914
PHARMACEUTICALS 11.8%		
194,107	GlaxoSmithKline Pharmaceuticals Ltd.	9,979,277
992,000	Lupin Ltd. (a)	22,769,500
1,029,481	Piramal Enterprises Ltd.	21,986,767
260,000	Sanofi India Ltd.	17,180,532
2,090,000	Sun Pharmaceutical Industries Ltd. (a)	23,740,691
		95,656,767
ROAD & RAIL 3.7%		
1,400,000	Container Corp. of India (a)	29,683,181
THRIFTS & MORTGAGE FINANCE 8.7%		
3,760,000	Housing Development Finance Corp. Ltd. (a)	69,994,968
TOBACCO 5.3%		
7,800,000	ITC Ltd. (a)	42,773,689
WIRELESS TELECOMMUNICATION SERVICES 1.0%		
1,480,000	Bharti Airtel Ltd. (a)	8,002,676
UNITED STATES 0.2%		
INFORMATION TECHNOLOGY SERVICES 0.2%		
28,000	Cognizant Technology Solutions Corp. (b)	1,602,720
	Total Common Stocks	797,318,932
	Total Long-Term Investments 98.7% (cost \$399,408,878)	797,318,932