

INDIA FUND INC
Form N-CSR
March 08, 2018

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:	December 31, 2017

Item 1 - Reports to Stockholders.

The Report to Shareholders is attached herewith.

Letter to Shareholders (unaudited)

Dear Shareholder,

We present this Annual Report which covers the activities of The India Fund, Inc. (the Fund) for the fiscal year ended December 31, 2017. 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.

Total Investment Return

For the fiscal year ended December 31, 2017, the total return to shareholders of the Fund based on the net asset value (NAV) and market price, respectively, of the Fund compared to the Fund's benchmark are as follows:

NAV*	36.0%
Market Price*	36.4%
MSCI India Index ¹	38.8%

* assuming reinvestment of dividends and distributions

The Fund's total return is based on the reported NAV on each financial reporting period end and may differ from what is reported on the Financial Highlights due to financial statement rounding or adjustments. For more information about Fund performance please see the Report of the Investment Manager on page 3.

NAV, Share Price and Discount

	NAV	Market Price	Discount
12/31/2016	\$24.24	\$21.39	11.8%
12/31/2017	\$29.50	\$26.12	11.5%

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. The Fund's Board of Directors (the Board) approved a renewal of its targeted discount policy for an additional two-year period commencing on April 4, 2016, and agreed to review the targeted volume-weighted average discount after the two-year period. 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. During the fiscal year ended December 31, 2017, the Fund repurchased 474,826 shares at a weighted average discount to NAV of 11.5%.

During the fiscal year ended December 31, 2016, the Fund repurchased 789,662 shares at a weighted average discount to NAV of 12.7%.

Indian Long-Term Capital Gains Tax

On February 1, 2018 Indian Finance Minister Arun Jaitley proposed to introduce a 10% tax on long-term capital gains on non-resident taxpayers, including financial institutional investors. Under the existing regime, long-term capital gains on non-resident taxpayers are exempt from income tax. This proposed tax was announced as part of the unveiling of the Budget proposals for 2018-2019 and would apply to the transfer of long-term capital assets exceeding Indian Rupee (INR) 100,000 on disposals of Indian listed securities on or after April 1, 2018.

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However, it was announced that all long-term capital gains up to January 31, 2018 would be grandfathered and not subject to the proposed new tax. Clarification is still needed on certain aspects of the proposal. Management is currently reviewing the impact this change would have on the financial statements.

Merger of Aberdeen Asset Management PLC with Standard Life plc

The Fund's investment adviser and administrator are each a subsidiary of Aberdeen Asset Management PLC (Aberdeen PLC). The merger of Standard Life plc and Aberdeen PLC was announced on March 6, 2017 (Merger) and closed on August 14, 2017. Aberdeen PLC became a direct subsidiary of Standard Life plc as a result of the Merger and the combined company changed its name to Standard Life Aberdeen plc. Shareholders of the Fund were not required to take any action as a result of the Merger. Following the Merger, the Fund's investment adviser and administrator each became an indirect subsidiary of Standard Life Aberdeen plc, but otherwise did not change. The investment advisory and administration agreements for the Fund, the services provided under the agreements, and the fees charged for services did not change as a result of the Merger. The portfolio management team for the Fund has remained the same following the Merger.

Unclaimed Share Accounts

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 Fund shares could be considered unclaimed property due to account inactivity (e.g.,

¹ The MSCI India Index is designed to measure the performance of the large and mid cap segments of the Indian market. With 77 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. Index performance is not an indication of the performance of the Fund itself. For complete fund performance, please visit <http://www.aberdeenifn.com>

The India Fund, Inc.

Letter to Shareholders (unaudited) (concluded)

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. If this happens, you will have to contact the state to recover your property, which may involve time and expense. For more information on unclaimed property and how to maintain an active account, please contact your financial adviser or the Fund's transfer agent.

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 (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 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>.

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. Here, you can view monthly fact sheets, quarterly commentary, distribution performance information, updated daily data courtesy of Morningstar®, portfolio charting and other Fund literature.

Enroll in Aberdeen's email services today and be among the first to receive the latest closed-end fund news, announcements, videos and 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 cef.aberdeen-asset.us/en/cefinvestorcenter/contact-us/email.

For your convenience, included within this report is a reply card with postage paid envelope. Please complete and mail the card if you would like to be added to our enhanced email service and receive future communications from Aberdeen.

Contact Us:

Visit: cef.aberdeen-asset.us;

Watch: <http://cef.aberdeen-asset.us/en/cefinvestorcenter/aberdeen-closed-end-fund-tv>;

Email: InvestorRelations@aberdeenstandard.com; or

Call: 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.

The India Fund, Inc.

Report of the Investment Manager

Market review

Indian equities, as measured by the Morgan Stanley Capital International (MSCI) India Index,¹ rose 38.76% for the 12-month period ended December 31, 2017. The market was initially unnerved by the lingering effects of the government's demonetization² in November 2016, as well as the implementation in July 2017 of the goods and services tax (GST), another momentous policy reform. Both policies caused short-term pain to some segments of the population and businesses. The cash crunch from demonetization² receded quickly, and the Fund's holdings performed relatively well during the transition. A Reserve Bank of India report published in August 2017 revealed that 99% of canceled notes were deposited or exchanged for fresh currency during the demonetization process. While this means that most of the "black money" that Prime Minister Narendra Modi's government had hoped to wipe out remains in circulation, we believe that other long-term benefits of demonetization should not be overlooked, such as expanding the tax base and bringing more people into the formal economy. Meanwhile, it appeared that the launch of the GST was fairly benign, helped in part by the government proactively raising awareness and offering training and outreach programs. This cushioned some teething problems, such as technical glitches with the online platform. The government subsequently made some tweaks to the application of the GST, including slashing rates for some items and easing the compliance burden for smaller enterprises.

Indian equities received a major boost late in 2017 from the government's plan to recapitalize state-owned banks. On the political front, Modi's Bharatiya Janata Party remained popular as evidenced by a number of key state election victories during the year, notably in Uttar Pradesh and Gujarat. The nation's gross domestic product (GDP) decelerated for the first half of 2017 before rebounding somewhat in the third quarter of the year; nonetheless, India remains among the world's fastest-growing economies.

Fund performance review

The Fund returned 35.99% on a net asset value basis for the 12-month period ended December 31, 2017, underperforming its benchmark, the MSCI India Index, which returned 38.76% for the same period. Positive stock selection was outweighed by negative asset allocation.

The Fund's significant underweight to energy relative to the benchmark, particularly the lack of exposure to Reliance Industries,

was a key detractor from Fund performance for the reporting period. Reliance Industries' stock price rebounded as the company saw higher refining margins and an improving outlook for its telecommunications business. The Fund does not hold Reliance due to its leveraged balance sheet and discretionary capital allocation policies, which we believe are not always shareholder-friendly. The Fund's sole energy sector holding, Aegis Logistics, performed well over the reporting period due to robust oil prices.

Positioning in the consumer discretionary sector also had a negative impact on the Fund's relative performance for the period. The lack of exposure to Maruti Suzuki was a detractor from Fund performance, as the automaker's sales recovered well alongside spending after demonetization. On the positive side, the Fund's relative performance was bolstered by the absence of a holding in Tata Motors, as the automaker's results over the reporting period generally did not meet the market's expectations.

Stock selection in the healthcare sector hampered the Fund's relative performance for the reporting period. The Fund's holdings in pharmaceutical firms Sun Pharmaceutical Industries and Lupin weighed on Fund performance due to declining pharmaceutical prices and greater scrutiny from U.S. government regulators. However, robust stock selection in this sector contributed to Fund performance over the reporting period. Shares of the Fund's largest holding in the healthcare sector, conglomerate Piramal Enterprises, performed well on the back of an improving outlook for its financing business, especially in light of the company's willingness to raise more capital in an effort to support growth.

The Fund's overweight allocation to the materials sector relative to the benchmark buoyed Fund performance for the reporting period. Notably, conglomerate Grasim Industries' stock price rose on investors' expectations of its restructuring.

Outlook

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In our view, 2018 brings a fresh set of challenges to the Indian market, even as the country starts off on surer footing thanks to Prime Minister Narendra Modi's forward-looking reform agenda. With Gujarat now secured, Modi's administration faces another round of tests in the form of three significant upcoming state elections. The outcomes in Rajasthan, Madhya Pradesh and Karnataka could potentially alter the composition of India's Parliament and have implications for the success of further

¹ The MSCI India Index tracks the performance of the large- and mid-cap segments of the Indian equity market. Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected. You cannot invest directly in an index.

² Demonetization comprises the act of stripping a currency unit of its status as legal tender.

³ Black money comprises money that is earned through any illegal activity controlled by country regulations. Black money proceeds are usually received in cash from underground economic activity and, therefore, are not taxed.

The India Fund, Inc.

Report of the Investment Manager (concluded)

policy changes. Although India is somewhat more buffered from world events than other stock markets, we believe that external factors such as global trade, rising oil prices, the pace of U.S. monetary policy normalization and China's next phase of reform could still affect domestic equities in India. In the interim, corporate earnings for the quarter ending December 31, 2017 are generally expected to recover further, despite talk of GDP growth cooling.

In early February, the Indian government unveiled a fairly restrained budget that was in line with our expectations. As widely anticipated, the fiscal deficit for 2018 was revised upward to 3.5% of GDP from the previous target of 3.2%, given the disruptions from demonetization and implementation of the GST. Increased

expenditures on agriculture, affordable housing and infrastructure development was modest and focused on improving rural living standards, as opposed to populist measures such as subsidies.

India was one of the strongest-performing Asian markets in 2017. If the momentum falters somewhat, we believe that it could provide good opportunities to add to high-quality stocks in the Fund's portfolio, given how stretched Indian equity valuations are now. We like the market for its wide range of profit-driven businesses from which to choose, and we continue to monitor those that we believe will add value to the Fund over the long term.

Aberdeen Asset Management Asia Limited

Total Investment Returns (unaudited)

The following table summarizes the Fund's average annual 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 December 31, 2017.

	1 Year	3 Years	5 Years	10 Years
Net Asset Value (NAV)	36.0%	10.3%	12.6%	2.3%
Market Price	36.4%	9.7%	12.7%	1.4%
MSCI India Index	38.8%	8.7%	8.9%	0.5%

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 prices pursuant to the Fund's dividend reinvestment program. All return data includes fees charged to the Fund, which are listed in the Fund's Statement of Operations under Expenses. The Fund's total investment return is based on the reported NAV on the financial reporting 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 net expense ratio for the fiscal year ended December 31, 2017 was 1.26%.

The India Fund, Inc.

Portfolio Summary (unaudited)

The following table summarizes the sector composition of the Fund's portfolio, in Standard & Poor's Global Industry Classification Standard (GICS), expressed as a percentage of net assets as of December 31, 2017. The GICS structure consists of 11 sectors, 24 industry groups, 68 industries and 157 subindustries. As of December 31, 2017, the Fund did not have more than 25% of its assets invested in any industry. The sectors, as classified by GICS, are comprised of several industries.

Sectors	As a Percentage of Net Assets
Financials	22.5%
Consumer Staples	21.5%
Information Technology	17.3%
Materials	16.6%
Health Care	13.4%
Consumer Discretionary	7.4%
Industrials	6.1%
Telecommunication Services	2.5%
Energy	1.4%
Short-Term Investment	0.1%
Liabilities in Excess of Other Assets	(8.8)%
	100.0%

Top Ten Equity Holdings (unaudited)

The following were the Fund's top ten holdings as of December 31, 2017:

Name of Security	As a Percentage of Net Assets
Housing Development Finance Corp. Ltd.	10.2%
Tata Consultancy Services Ltd.	9.1%
Kotak Mahindra Bank Ltd.	5.2%
Piramal Enterprises Ltd.	5.1%
ITC Ltd.	4.9%
Hindustan Unilever Ltd.	4.8%
UltraTech Cement Ltd.	4.4%
Godrej Consumer Products Ltd.	4.3%
Hero MotoCorp Ltd.	4.2%
Sun Pharmaceutical Industries Ltd.	4.2%

The India Fund, Inc.

Portfolio of Investments

As of December 31, 2017

Shares	Description	Industry and Percentage of Net Assets	Value (US\$)
LONG-TERM INVESTMENTS 108.7%			
COMMON STOCKS 108.7%			
INDIA 106.7%			
499,224	ABB India Ltd.	Electrical Equipment 1.3%	\$ 10,973,503
3,015,322	Aditya Birla Capital Ltd. (a)(b)	Diversified Financial Services 1.1%	8,676,083
2,500,000	Aegis Logistics Ltd.	Oil, Gas & Consumable Fuels 1.4%	11,162,900
6,811,000	Ambuja Cements Ltd.	Construction Materials 3.5%	28,944,949
1,683,880	Asian Paints Ltd. (a)	Chemicals 3.7%	30,561,189
1,129,000	Bharti Airtel Ltd. (a)	Wireless Telecommunication Services 1.1%	9,368,106
2,000,161	Bharti Infratel Ltd. (a)	Diversified Telecommunication Services 1.4%	11,849,585
82,995	Bosch Ltd. (a)	Auto Components 3.2%	26,077,338
2,600,000	Castrol (India) Ltd.	Chemicals 1.0%	7,894,403
1,492,500	Container Corp. of India Ltd.	Road & Rail 3.9%	32,360,201
523,000	Emami Ltd. (a)	Personal Products 1.3%	10,828,730
187,107	GlaxoSmithKline Pharmaceuticals Ltd. (a)	Pharmaceuticals 0.9%	7,318,433
976,080	Godrej Agrovet Ltd. (b)(c)	Food Products 1.1%	8,869,632
2,286,578	Godrej Consumer Products Ltd. (a)	Personal Products 4.3%	35,772,000
1,325,230	Grasim Industries Ltd. (a)	Construction Materials 2.9%	24,150,342
1,025,000	HDFC Bank Ltd. (a)	Banks 3.6%	30,066,646
588,000	Hero MotoCorp Ltd. (a)	Automobiles 4.2%	35,029,185
1,838,000	Hindustan Unilever Ltd.	Household Products 4.8%	39,227,849
3,146,000	Housing Development Finance Corp. Ltd. (a)	Thriffs & Mortgage Finance 10.2%	84,250,494
3,872,000	ICICI Bank Ltd. (a)	Banks 2.3%	18,992,038
1,502,427	Infosys Ltd. (a)	Information Technology Services 3.0%	24,400,800
9,812,000	ITC Ltd.	Tobacco 4.9%	40,468,591
2,277,470	Jyothy Laboratories Ltd. (a)	Household Products 1.6%	13,599,491
2,695,000	Kotak Mahindra Bank Ltd. (a)	Banks 5.2%	42,580,610
657,000	Lupin Ltd. (a)	Pharmaceuticals 1.1%	9,124,579
95,969	Max Financial Services Ltd. (a)(b)	Insurance 0.1%	881,001
2,347,356	Mphasis Ltd. (a)	Information Technology Services 3.2%	26,502,440
232,300	Nestle India Ltd. (a)	Food Products 3.5%	28,558,930
936,264	Piramal Enterprises Ltd. (a)	Pharmaceuticals 5.1%	41,910,851
200,700	Sanofi India Ltd.	Pharmaceuticals 1.8%	14,929,671
32,000	Shree Cement Ltd.	Construction Materials 1.1%	9,064,432
3,847,391	Sun Pharmaceutical Industries Ltd.	Pharmaceuticals 4.2%	34,355,419
328,486	Syngene International Ltd. (c)	Life Sciences Tools & Services 0.3%	2,779,091
1,785,683	Tata Consultancy Services Ltd. (a)	Information Technology Services 9.1%	75,468,510
370,687	Thermax Ltd.	Machinery 0.9%	7,258,386
542,000	UltraTech Cement Ltd. (a)	Construction Materials 4.4%	36,663,112
UNITED STATES 2.0%			
235,000	Cognizant Technology Solutions Corp., Class A	Information Technology Services 2.0%	16,689,700
Total Common Stocks			897,609,220
Total Long-Term Investments 108.7% (cost \$427,476,272)			897,609,220

See Notes to Financial Statements.

The India Fund, Inc.

Portfolio of Investments (concluded)

As of December 31, 2017

Shares	Description	Value (US\$)
SHORT-TERM INVESTMENT 0.1%		
UNITED STATES 0.1%		
708,893	State Street Institutional U.S. Government Money Market Fund, Institutional Class, 1.22%(d)	708,893
	Total Short-Term Investment 0.1% (cost \$708,893)	708,893
	Total Investments 108.8% (cost \$428,185,165) (e)	898,318,113
	Liabilities in Excess of Other Assets (8.8)%	(72,706,852)
	Net Assets 100.0%	\$ 825,611,261

- (a) Fair Values are determined pursuant to procedures approved by the Fund's Board of Directors. Unless otherwise noted, securities are valued by applying valuation factors to the exchange traded price. See Note 2(a) of the accompanying Notes to Financial Statements.
- (b) Non-income producing security.
- (c) Denotes a security issued under Regulation S or Rule 144A.
- (d) Registered investment company advised by State Street Global Advisors. The rate shown is the current yield as of December 31, 2017.
- (e) See accompanying Notes to Financial Statements for tax unrealized appreciation/(depreciation) of securities.

See Notes to Financial Statements.

The India Fund, Inc.

Statement of Assets and Liabilities

As of December 31, 2017

Assets	
Investments, at value (cost \$427,476,272)	\$ 897,609,220
Short-term investment, at value (cost \$708,893)	708,893
Foreign currency, at value (cost \$13,419,584)	13,470,039
Receivable for investments sold	468,544
Interest and dividends receivable	1,045
Prepaid expenses	97,165
Total assets	