

INDIA FUND INC  
Form N-CSR  
March 06, 2014

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 <sup>nd</sup> Floor<br>Philadelphia, PA 19103  |
| Name and address of agent for service:              | Ms. Andrea Melia<br>Aberdeen Asset Management Inc.<br>1735 Market Street 32 <sup>nd</sup> Floor<br>Philadelphia, PA 19103 |
| Registrant's telephone number, including area code: | 1-866-839-5205  |
| Date of fiscal year end:                            | December 31   |
| Date of reporting period:                           | December 31, 2013   |

**Item 1 - Reports to Stockholders.**

The Report to Shareholders is attached herewith.



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## Letter to Shareholders

December 31, 2013

### Dear Shareholder,

We present this Annual Report which covers the activities of The India Fund, Inc. (the Fund) for the twelve-month period ended December 31, 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 twelve-month period ended December 31, 2013, the total return to shareholders of the Fund based on the net asset value (NAV) of the Fund was 0.9%, assuming reinvestment of dividends and distributions, versus a return of -3.8% for the Fund's benchmark, the MSCI India Index.

### Share Price and NAV

For the twelve-month period ended December 31, 2013, based on market price, the Fund's total return was 0.2%, assuming reinvestment of dividends and distributions. The Fund's share price decreased 4.4% over the twelve-month period, from \$20.91 on December 31, 2012 to \$20.00 on December 31, 2013. The Fund's share price on December 31, 2013 represented a discount of 12.7% to the NAV per share of \$22.92 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 Policy

The Fund's open market repurchase policy is to buy back Fund shares in the open market when the Fund's discount to NAV exceeds established thresholds. During the twelve-month period ended December 31, 2013, the Fund repurchased 1,230,086 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 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 1-866-839-5205.

### 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

As part of our ongoing commitment to provide information to our shareholders, I invite you to visit the Fund on the web at [www.aberdeeninfn.com](http://www.aberdeeninfn.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 visit Aberdeen's award-winning 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](http://www.aberdeen-asset.us/aam.nsf/usClosed/aberdeentv).

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Please ensure that you are enrolled in our email services, which feature timely news from Aberdeen portfolio managers located around the world. Enroll today at [www.aberdeen-asset.us/aam.nsf/usclosed/email](http://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 contact Aberdeen Asset Management, Inc. by:

calling toll free at 1-866-839-5205 in the United States,  
emailing [InvestorRelations@aberdeen-asset.com](mailto:InvestorRelations@aberdeen-asset.com),  
visiting Aberdeen Closed-End Fund Center at <http://www.aberdeen-asset.us/aam.nsf/usclosed/home>, or  
visiting [www.aberdeenifn.com](http://www.aberdeenifn.com)

Yours sincerely,

**Alan R. Goodson**

President

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

The India Fund, Inc.

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## Report of the Investment Manager

### Market Review

Indian equities edged lower after a volatile year in 2013, particularly for emerging markets. At the beginning of 2013, local markets saw some profit-taking following solid performance in 2012, while high borrowing costs, bureaucratic constraints and the global economic slowdown took a toll on domestic growth and consumption. In response, India's central bank cut its benchmark interest rate three times in the first half of the year. However, it was the U.S. Federal Reserve's monetary policy plans that dominated market sentiment from summer onwards. When the U.S. central bank hinted it would begin to trim asset purchases because of an improving economy, many investors exited emerging markets. Indian equities fell sharply and the Rupee hit historic lows.

In September of 2013, the Reserve Bank of India (the RBI) welcomed a new head, economist Raghuram Rajan. He was quick to switch the RBI's primary policy focus from dealing with sluggish growth to battling persistently high inflation, and the RBI raised its benchmark interest rate twice in as many months. Rajan also spearheaded an overhaul of the banking sector, promising an expanded role for foreign banks and new licences to foster competition. Investor sentiment turned positive in the fourth quarter as gross domestic product growth picked up to 4.8% and the currency stabilized. Equity markets also reacted positively to the victory of the Bhartiya Janata Party, the main opposition party, in three of the four state elections held toward year-end, as many seemed to consider the result a precursor to national elections. However, the late-2013 run-up in the equity markets failed to recoup all of the losses earlier in the year.

### Performance

Fund performance for the annual period was boosted by the overweight exposure relative to the benchmark MSCI India Index to information technology (IT), which was the top performing sector within the benchmark MSCI India Index for 2013. The Fund is now slightly underweight in the IT sector because the Fund took profits throughout the period given the strength in share prices. Although the Fund has a benchmark-level exposure to the financial sectors, which was among the weakest-performing sectors given tight liquidity conditions and fears over deteriorating asset quality, stock selection benefited Fund performance. The lack of exposure to energy stocks also proved advantageous. Against this, the Fund's overweight exposure to the materials sector detracted from performance for the reporting period.

At the stock level, Tata Consultancy Services Ltd was the most notable contributor to Fund performance. The company benefited from its U.S. Dollar earnings and strong offshore demand for IT services. GlaxoSmithKline India's performance also boosted returns, as its stock price gained on news that its parent plans to increase its stake in the Indian subsidiary to 75%. In our view, the proposed offer of 3,100 Rupees (roughly U.S. \$50.00) per share is well-priced and values the company at a premium. The absence of a position in Axis Bank and State Bank of India also benefited Fund performance as shares of both companies fared poorly relative to other banks due to investors' concerns over their asset quality.

The Fund's cement company holdings, including Ultratech Cement Ltd, Ambuja Cements Ltd and Grasim Industries Ltd, detracted the most from the relative return for the year. It was a tough period for the industry, which has been hit by waning demand, competitive pricing and rising costs. However, given India's demographics and need for large-scale infrastructure investment to reinvigorate the economy, we believe that the longer-term outlook for cement companies remains encouraging.

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

### Outlook

We think that the new year brings a cautious optimism on India's economy. Exports are gaining momentum, growth is on the upswing, the currency has stabilized and, in our view, equities appear in vogue once again. However, if it is a true recovery, it is a fragile one, in our opinion. Elevated inflation is a persistent economic concern, keeping pressure on household and corporate budgets and preoccupying the central bank. While the RBI held rates steady in December 2013, we believe that further monetary tightening is certain if prices fail to moderate, with the corollary being sluggish growth.

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Meanwhile, we feel that the government must rein in spending if it hopes to ease the fiscal deficit ahead of the March 2014 year-end. Its discipline will be tested by looming elections, given a past reliance on populist policies to win votes. Regardless, there seems to be a palpable desire for political change, and the decisive policy-making required to kick-start the economy and boost investor sentiment.

The India Fund, Inc.

## Report of the Investment Manager (concluded)

However, we think that the risk is that voters will be divided on the alternatives, resulting in a clunky coalition at the helm, rather than a more agile single party. That said, we believe India remains an attractive investment destination. In our opinion, the country has favorable demographics and an abundance of well-managed companies with good balance sheets and excellent potential for

growth. We believe that such businesses are able to withstand inevitable short-term gyrations in equity markets and reward disciplined stock-pickers over the long term.

**Aberdeen Asset Management Asia Limited**

## Portfolio Summary

December 31, 2013

The following chart summarizes the composition of the Fund's portfolio, in Standard & Poor's Industry Classification Standard (SIC) sectors, expressed as a percentage of the net assets. An industry classification standard sector can include more than one industry group. As of December 31, 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 December 31, 2013, the Fund held 103.5% of its net assets in equities, 0.3% in a short-term investment and (3.8)% in liabilities in excess of other assets.

### Sector Allocation

The India Fund, Inc.



## Top Ten Equity Holdings

The following were the Fund's top ten holdings as of December 31, 2013:

| Name of Security                       | Percentage of Net Assets |
|--|--------------------------|
| Housing Development Finance Corp. Ltd. | 9.6%                     |
| ICICI Bank Ltd.                        | 9.5%                     |
| Tata Consultancy Services Ltd.         | 8.9%                     |
| Infosys Ltd.                           | 8.5%                     |
| ITC Ltd.                               | 7.4%                     |
| HDFC Bank Ltd.                         | 4.9%                     |
| Hero MotoCorp Ltd.                     | 4.9%                     |
| Godrej Consumer Products Ltd.          | 4.2%                     |
| Hindustan Unilever Ltd.                | 4.0%                     |
| UltraTech Cement Ltd.                  | 3.6%                     |

## Total Investment Return

December 31, 2013

The following table summarizes Fund performance compared to the MSCI India Index, the Fund's benchmark, for the 1-year, 3-year, 5-year and 10-year periods annualized as of December 31, 2013.

|                       | 1 Year  | 3 Years  | 5 Years | 10 Years |
|-----------------------|---------|----------|---------|----------|
| Net Asset Value (NAV) | 0.89%   | (7.81)%  | 12.50%  | 11.39%   |
| Market Value          | 0.16%   | (11.41)% | 8.35%   | 9.24%    |
| MSCI India Index      | (3.83)% | (8.69)%  | 13.29%  | 10.95%   |

*Aberdeen Asset Management Asia Limited has entered into a written contract with the Fund to waive 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 gross expense ratio is 1.43%. The net operating expense ratio after fee waivers and/or expense reimbursements is 1.17%.*

The India Fund, Inc.

## Schedule of Investments

December 31, 2013

| Shares                                       | Description                          | Value<br>(US\$) |
|--|--------------------------------------|-----------------|
| <b>LONG-TERM INVESTMENTS 103.5%</b>          |                                      |                 |
| <b>COMMON STOCKS 103.5%</b>                  |                                      |                 |
| <b>INDIA 103.5%</b>                          |                                      |                 |
| <b>AUTO COMPONENTS 2.7%</b>                  |                                      |                 |
| 133,581                                      | Bosch Ltd. (a)                       | \$ 21,548,223   |
| <b>AUTOMOBILES 4.9%</b>                      |                                      |                 |
| 1,170,000                                    | Hero MotoCorp Ltd. (a)               | 39,322,946      |
| <b>CHEMICALS 3.0%</b>                        |                                      |                 |
| 3,000,000                                    | Asian Paints Ltd. (a)                | 23,790,911      |
| <b>COMMERCIAL BANKS 14.4%</b>                |                                      |                 |
| 3,650,000                                    | HDFC Bank Ltd. (a)                   | 39,471,914      |
| 4,260,000                                    | ICICI Bank Ltd. (a)                  | 76,111,912      |
| <b>115,583,826</b>                           |                                      |                 |
| <b>CONSTRUCTION MATERIALS 10.3%</b>          |                                      |                 |
| 790,000                                      | ACC Ltd. (a)                         | 14,173,142      |
| 9,464,606                                    | Ambuja Cements Ltd. (a)              | 27,980,460      |
| 250,085                                      | Grasim Industries Ltd. (a)           | 10,992,540      |
| 1,020,000                                    | UltraTech Cement Ltd. (a)            | 29,159,485      |
| <b>82,305,627</b>                            |                                      |                 |
| <b>ELECTRIC UTILITIES 1.4%</b>               |                                      |                 |
| 7,850,000                                    | Tata Power Co. Ltd. (a)              | 11,573,394      |
| <b>ELECTRICAL EQUIPMENT 0.7%</b>             |                                      |                 |
| 499,224                                      | ABB India Ltd. (a)                   | 5,599,435       |
| <b>FOOD PRODUCTS 3.4%</b>                    |                                      |                 |
| 320,118                                      | Nestle India Ltd.                    | 27,325,569      |
| <b>GAS UTILITIES 2.8%</b>                    |                                      |                 |
| 3,960,000                                    | GAIL India Ltd. (a)                  | 22,001,205      |
| <b>HOUSEHOLD PRODUCTS 4.0%</b>               |                                      |                 |
| 3,498,221                                    | Hindustan Unilever Ltd. (a)          | 32,360,116      |
| <b>INFORMATION TECHNOLOGY SERVICES 20.1%</b> |                                      |                 |
| 115,303                                      | CMC Ltd. (a)                         | 3,029,700       |
| 1,213,000                                    | Infosys Ltd. (a)                     | 68,305,965      |
| 2,600,000                                    | Mphasis Ltd. (a)                     | 18,416,157      |
| 2,014,000                                    | Tata Consultancy Services Ltd. (a)   | 70,855,850      |
| <b>160,607,672</b>                           |                                      |                 |
| <b>MACHINERY 0.7%</b>                        |                                      |                 |
| 415,430                                      | Cummins India Ltd. (a)               | 3,207,106       |
| 237,758                                      | Thermax Ltd.                         | 2,698,729       |
| <b>5,905,835</b>                             |                                      |                 |
| <b>PERSONAL PRODUCTS 4.2%</b>                |                                      |                 |
| 2,400,000                                    | Godrej Consumer Products Ltd. (a)    | 33,318,713      |
| <b>PHARMACEUTICALS 7.9%</b>                  |                                      |                 |
| 537,344                                      | GlaxoSmithKline Pharmaceuticals Ltd. | 26,052,779      |
| 1,000,000                                    | Lupin Ltd. (a)                       | 14,668,299      |
| 981,000                                      | Piramal Enterprises Ltd. (a)         | 8,684,312       |

See Notes to Financial Statements.



## Schedule of Investments (concluded)

December 31, 2013

| Shares   | Description  | Value<br>(US\$)       |
|--|--|-----------------------|
| <b>LONG-TERM INVESTMENTS (continued)</b>         |  |                       |
| <b>COMMON STOCKS (continued)</b>                 |  |                       |
| <b>INDIA (continued)</b>                         |  |                       |
| <b>PHARMACEUTICALS (continued)</b>               |  |                       |
| 320,000  | Sanofi India Ltd. (a)  | \$ 14,174,407         |
|  |  | <b>63,579,797</b>     |
| <b>ROAD &amp; RAIL 3.1%</b>                      |  |                       |
| 2,100,000  | Container Corp. of India   | <b>24,749,818</b>     |
| <b>TEXTILES, APPAREL &amp; LUXURY GOODS 1.0%</b> |  |                       |
| 2,090,104  | Titan Co., Ltd. (a)  | <b>7,765,064</b>      |
| <b>THRIFTS &amp; MORTGAGE FINANCE 9.6%</b>       |  |                       |
| 5,930,000  | Housing Development Finance Corp. Ltd. (a)   | <b>76,673,980</b>     |
| <b>TOBACCO 7.4%</b>                              |  |                       |
| 11,480,000                                       | ITC Ltd. (a)   | <b>59,621,979</b>     |
| <b>WIRELESS TELECOMMUNICATION SERVICES 1.9%</b>  |  |                       |
| 2,775,876  | Bharti Airtel Ltd. (a)   | 14,849,955            |
|  |  | <b>828,484,065</b>    |
|  | <b>Total Long-Term Investments 103.5% (cost \$552,576,023)</b>   | <b>828,484,065</b>    |
| <b>Par Amount</b>                                |  |                       |
| <b>SHORT-TERM INVESTMENT 0.3%</b>                |  |                       |
| \$2,355,000                                      | Repurchase Agreement, State Street Bank and Trust Co., 0.00% dated 12/31/2013, due 01/02/2014 repurchase price \$2,355,000, collateralized by a U.S. Treasury Bond, maturing 02/15/2040; total market value of \$2,402,963 | <b>2,355,000</b>      |
|  | <b>Total Short-Term Investment 0.3% (cost \$2,355,000)</b>   | <b>2,355,000</b>      |
|  | <b>Total Investments 103.8% (cost \$554,931,023) (b)</b>   | <b>830,839,065</b>    |
|  | Liabilities in Excess of Other Assets (3.8%)   | (30,166,404)          |
|  | <b>Net Assets 100.0%</b>   | <b>\$ 800,672,661</b> |

(a) Fair Valued Security. Fair Values are determined pursuant to procedures approved by the Board of Directors. See Note 2(a) of the accompanying notes to financial statements.

(b) See Note 10 of the 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, 2013

|  |                       |
|--|-----------------------|
| <b>Assets</b>  |                       |
| Investments, at value (cost \$552,576,023)   | \$ 828,484,065        |
| Repurchase agreement, at value (cost \$2,355,000)  | 2,355,000             |
| Foreign currency, at value (cost \$2,221,360)  | 2,272,463             |
| Cash   | 838                   |
| Tax refund receivable  | 1,127,279             |
| Prepaid expenses   | 108,628               |
| <b>Total assets</b>  | <b>834,348,273</b>    |
| <b>Liabilities</b>   |                       |
| Dividends payable to common shareholders   | 31,086,314            |
| Foreign tax payable  | 1,445,039             |
| Investment management fees payable (Note 3)  | 532,260               |
| Administration fees payable (Note 3)   | 137,853               |
| Investor relations fees payable (Note 3)   | 51,972                |
| Director fees payable  | 6,000                 |
| Accrued expenses   | 416,174               |
| <b>Total liabilities</b>   | <b>33,675,612</b>     |
| <b>Net Assets</b>  | <b>\$ 800,672,661</b> |
| <b>Composition of Net Assets:</b>  |                       |
| Capital stock (par value \$.001 per share) (Note 5)  | \$ 34,935             |
| Paid-in capital in excess of par   | 523,069,301           |
| Distributions in excess of net investment income   | (499,117)             |
| Accumulated net realized gain from investments and foreign currency transactions                                       | 2,115,950             |
| Net unrealized appreciation on investments and translation of assets and liabilities denominated in foreign currencies | 275,951,592           |
| <b>Net Assets</b>  | <b>\$ 800,672,661</b> |
| Net asset value per share based on 34,935,115 shares issued and outstanding  | \$ 22.92              |

See Notes to Financial Statements.

The India Fund, Inc.

## Statement of Operations

For the Year Ended December 31, 2013

### Net Investment Income

#### Income

|   |               |
|---|---------------|
| Dividends (net of foreign withholding taxes of \$0) | \$ 13,872,051 |
|   | 13,872,051    |

#### Expenses

|  |             |
|--|-------------|
| Investment management fee (Note 3)                         | 8,866,865   |
| Administration fee (Note 3)                                | 1,748,193   |
| Directors' fees and expenses                               | 370,059     |
| Legal fees and expenses                                    | 312,719     |
| Custodian's fees and expenses                              | 277,733     |
| Reports to shareholders and proxy solicitation             | 236,138     |
| Investor relations fees and expenses (Note 3)              | 199,879     |
| Independent auditors' fees and expenses                    | 137,302     |
| Insurance expense  | 126,821     |
| Pennsylvania tax expense                                   | 46,161      |
| Foreign tax expense  | 44,806      |
| Transfer agent's fees and expenses                         | 25,565      |
| Miscellaneous  | 141,304     |
| Total operating expenses before reimbursed/waived expenses | 12,533,545  |
| Less: Expenses waived (Note 3)                             | (2,284,050) |
| Total operating expenses                                   | 10,249,495  |

**Net Investment Income** **3,622,556**

### Realized and Unrealized Gains/(Losses) on Investments and Foreign Currency Related Transactions

#### Net realized gain/(loss) from:

|                               |             |
|-------------------------------|-------------|
| Investment transactions       | 32,080,622  |
| Foreign currency transactions | (1,232,572) |
|                               | 30,848,050  |

#### Net change in unrealized appreciation/(depreciation) on:

|                              |              |
|------------------------------|--------------|
| Investments                  | (34,075,232) |
| Foreign currency translation | 684,592      |
|                              | (33,390,640) |

Net realized and unrealized loss from investments and foreign currency translation (2,542,590)

**Net Increase in Net Assets Resulting from Operations** **\$ 1,079,966**

See Notes to Financial Statements.

The India Fund, Inc.

## Statement of Changes in Net Assets

|   | For the<br>Year Ended<br>December 31, 2013 | For the<br>Year Ended<br>December 31, 2012 |
|---|--|--|
| <b>Increase/(Decrease) in Net Assets</b>  |  |  |
| <b>Operations:</b>  |  |  |
| Net investment income   | \$ 3,622,556                               | \$ 4,629,416                               |
| Net realized gain from investments and foreign currency transactions  | 30,848,050                                 | 103,154,595                                |
| Net change in unrealized appreciation/depreciation on investments and translation of assets and liabilities denominated in foreign currencies   | (33,390,640)                               | 74,477,338                                 |
| <b>Net increase in net assets resulting from operations</b>   | <b>1,079,966</b>                           | <b>182,261,349</b>                         |
| <b>Distributions to Shareholders from:</b>  |  |  |
| Net investment income   | (2,948,174)                                | (5,404,909)                                |
| Net realized gains  | (30,353,402)                               | (81,998,442)                               |
| Net decrease in net assets from distributions   | (33,301,576)                               | (87,403,351)                               |
| <b>Capital Share Transactions:</b>  |  |  |
| Issuance of 3,188,277 and 0 shares, respectively, due to stock distribution (Note 5)  | 69,918,915                                 |  |
| Repurchase of shares under open market repurchase policy (1,230,086 and 0, respectively)  | (24,994,408)                               |  |
| Cost of shares repurchased under repurchase offer (3,882,935 and 3,982,089 shares, net of repurchase fee of \$1,811,990 and \$2,006,095, and expenses of \$319,050 and \$358,627, respectively) | (89,106,550)                               | (98,657,269)                               |
| Change in net assets from capital share transactions  | (44,182,043)                               | (98,657,269)                               |
| Change in net assets resulting from operations  | (76,403,653)                               | (3,799,271)                                |
| <b>Net Assets:</b>  |  |  |
| Beginning of year   | 877,076,314                                | 880,875,585                                |
| <b>End of year (including distributions in excess of net investment income of (\$499,117) and (\$53,378), respectively)</b>   | <b>\$ 800,672,661</b>                      | <b>\$ 877,076,314</b>                      |
| See Notes to Financial Statements.  |  |  |

Amounts listed as are \$0 or round to \$0.

The India Fund, Inc.



## Financial Highlights

|  | For the Year Ended December 31, |           |                      |             |             |
|--|---------------------------------|-----------|----------------------|-------------|-------------|
|  | 2013                            | 2012      | 2011                 | 2010        | 2009        |
| <b>Per Share Operating Performance<sup>(a)</sup>:</b>  |                                 |           |                      |             |             |
| Net asset value, beginning of year   | \$23.79                         | \$21.57   | \$35.71              | \$32.78     | \$17.38     |
| Net investment income/(loss)   | 0.10                            | 0.11      | (0.02)               | (0.02)      | (0.01)      |
| Net realized and unrealized gain/(loss) on investments and foreign currency related transactions | 0.05                            | 4.44      | (13.08)              | 6.76        | 15.85       |
| Income tax (expense) reversal <sup>(b)</sup>   |                                 |           | 0.12                 |             |             |
| Total from investment operations   | 0.15                            | 4.55      | (12.98)              | 6.74        | 15.84       |
| Dividends and distributions to shareholders:   |                                 |           |                      |             |             |
| Net investment income  | (0.08)                          | (0.15)    | (0.02)               | (0.09)      |             |
| Net realized gains   | (0.87)                          | (2.22)    | (1.09)               | (3.68)      |             |
| Tax return of capital  |                                 |           | (0.09)               | (0.10)      |             |
| Total dividends and distributions to shareholders  | (0.95)                          | (2.37)    | (1.20)               | (3.87)      |             |
| Capital Share Transactions:  |                                 |           |                      |             |             |
| Impact due to capital shares issued from stock distribution (Note 5)                             | (0.21)                          |           |                      |             |             |
| Impact due to shares tendered or repurchased (Note 6)  | 0.04                            | 0.04      | 0.04                 | 0.06        |             |
| Impact due to open market repurchase policy (Note 7)   | 0.10                            |           |                      |             |             |
| Dilutive effect of rights offer  |                                 |           |                      |             | (0.44)      |
| Total capital share transactions   | (0.07)                          | 0.04      | 0.04                 | 0.06        | (0.44)      |
| Net asset value, end of year   | \$22.92                         | \$23.79   | \$21.57              | \$35.71     | \$32.78     |
| Market value, end of year  | \$20.00                         | \$20.91   | \$19.04              | \$35.11     | \$30.70     |
| <b>Total Investment Return Based on:<sup>(c)</sup></b>   |                                 |           |                      |             |             |
| Market value   | 0.16%                           | 21.70%    | (42.96%)             | 28.01%      | 67.76%      |
| Net asset value  | 0.89%                           | 22.22%    | (36.47%)             | 21.94%      | 88.61%      |
| <b>Ratio to Average Net Assets/Supplementary Data:</b>   |                                 |           |                      |             |             |
| Net assets, end of year (000 omitted)  | \$800,673                       | \$877,076 | \$880,876            | \$1,581,368 | \$1,608,617 |
| Average net assets (000 omitted)   | \$874,054                       | \$940,120 | \$1,268,468          | \$1,635,394 | \$1,050,145 |
| Expenses, after income tax reversal, after reimbursement and waiver <sup>(d)</sup>               | 1.17%                           | 1.16%     | 1.01%                | 1.32%       | 1.25%       |
| Expenses, before income tax reversal, after reimbursement and waiver <sup>(d)</sup>              | 1.17%                           | 1.16%     | 1.40% <sup>(b)</sup> | 1.32%       | 1.25%       |
| Expenses, before income tax reversal, prior to reimbursement and waiver <sup>(d)</sup>           | 1.43%                           | 1.41%     | 1.44%                | 1.32%       | 1.25%       |
| Net investment income/(loss)   | 0.41%                           | 0.49%     | (0.07%)              | (0.05%)     | (0.04%)     |
| Portfolio turnover   | 3.32%                           | 36.36%    | 51.39%               | 50.55%      | 49.64%      |

(a) Based on average shares outstanding.

(b) A reversal of \$20,551,036 was made in 2006 to the prior year's tax provision described below (see Note 2f). An additional reversal of \$4,956,314 was made in 2011 to the same tax provision.

(c) Total investment return based on market value is calculated assuming that shares of the Fund's common stock were purchased at the closing market price as of the beginning of the period, dividends, capital gains, and other distributions were reinvested as provided for in the Fund's dividend reinvestment plan and then sold at the closing market price per share on the last day of the period. The computation does not reflect any sales commission investors may incur in purchasing or selling shares of the Fund. The total investment return based on the net asset value is similarly computed except that the Fund's net asset value is substituted for the closing market value.

(d) Ratio inclusive of foreign tax expense.  
Amounts listed as are \$0 or round to \$0.

See Notes to Financial Statements.

The India Fund, Inc.

10

## Notes to Financial Statements

December 31, 2013

### 1. Organization

The India Fund, Inc. (the Fund) was incorporated in Maryland on December 27, 1993 and commenced operations on February 23, 1994. The Fund operates through a branch in the Republic of Mauritius. The Fund is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a non-diversified closed-end management investment company.

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.

### 2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. The policies conform to accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses for the period. Actual results could differ from those estimates. The books and records of the Fund are maintained in U.S. Dollars.

#### (a) Security Valuation:

The Fund is required to value its securities at fair market value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Equity securities that are traded on an exchange are valued at the last quoted sale price on the principal exchange on which the security is traded at the Valuation Time, subject to application, when appropriate, of the valuation factors described in the paragraph below. The Valuation Time is as of the close of regular trading on the New York Stock Exchange (usually 4:00 p.m. Eastern Time). In the absence of a sale price, the security is valued at the mean of the bid/ask quoted at the close on the principal exchange on which the security is traded. Securities traded on NASDAQ are valued at the NASDAQ official closing price. Closed-end funds and exchange-traded funds (ETFs) are valued at the market price of the security at the Valuation Time. A security using any of these pricing methodologies is determined to be a Level 1 investment.

Foreign equity securities that are traded on foreign exchanges that close prior to the Valuation Time are valued by applying valuation factors to the last sale price or the mean price as noted above. Valuation factors are provided by an independent pricing service

provider. These valuation factors are used when pricing the Fund's portfolio holdings to estimate market movements between the time foreign markets close and the time the Fund values such foreign securities. These valuation factors are based on inputs such as depositary receipts, indices, futures, sector indices/ETFs, exchange rates, and local exchange opening and closing prices of each security. When prices with the application of valuation factors are utilized, the value assigned to the foreign securities may not be the same as quoted or published prices of the securities on their primary markets. A security that applies a valuation factor is determined to be a Level 2 investment because the exchange-traded price has been adjusted. Valuation factors are not utilized if the independent pricing service provider is unable to provide a valuation factor or if the valuation factor falls below a predetermined threshold; in such case, the security is determined to be a Level 1 investment.

In the event that a security's market quotations are not readily available or are deemed unreliable (for reasons other than because the foreign exchange on which they trade closed before the Valuation Time), the security is valued at fair value as determined by the Fund's Pricing Committee, taking into account the relevant factors and surrounding circumstances using valuation policies and procedures approved by the Board. A security that has been fair valued by the Pricing Committee may be classified as Level 2 or 3 depending on the nature of the inputs.

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Fund discloses the fair value of its investments using a three-level hierarchy that classifies the inputs to valuation techniques used to measure the fair value. The hierarchy assigns

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Level 1 measurements to valuations based upon other significant observable inputs, including unadjusted quoted prices in active markets for identical assets, Level 2 measurements to valuations based upon other significant observable inputs, including adjusted quoted prices in active markets for identical assets, and Level 3 measurements to valuations based upon unobservable inputs that are significant to the valuation. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability, which are based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. A financial instrument's level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. The three-tier hierarchy of inputs is summarized below:

Level 1 quoted prices in active markets for identical investments;

The India Fund, Inc.

## Notes to Financial Statements *(continued)*

December 31, 2013

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk); or

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The following is a summary of the inputs used as of December 31, 2013 in valuing the Fund's investments at fair value. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Refer to the Portfolio of Investments for a detailed breakout of the security types:

| Investments, at value | Level 1              | Level 2               | Level 3   | Balance as of<br>12/31/2013 |
|-----------------------|----------------------|-----------------------|-----------|-----------------------------|
| Long-Term Investments |                      |                       |           |                             |
| Food Products         | \$ 27,325,569        | \$                    | \$        | \$ 27,325,569               |
| Machinery             | 2,698,729            | 3,207,106             |           | 5,905,835                   |
| Pharmaceuticals       | 26,052,779           | 37,527,018            |           | 63,579,797                  |
| Road & Rail           | 24,749,818           |                       |           | 24,749,818                  |
| Other                 |                      | 706,923,046           |           | 706,923,046                 |
| Short-Term Investment |                      | 2,355,000             |           | 2,355,000                   |
| <b>Total</b>          | <b>\$ 80,826,895</b> | <b>\$ 750,012,170</b> | <b>\$</b> | <b>\$ 830,839,065</b>       |

The Fund held no Level 3 securities at December 31, 2013.

For movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing transfers at the end of each period. During the year ended December 31, 2013, securities issued by Container Corp. of India and GlaxoSmithKline Pharmaceuticals Ltd., in the amounts of \$24,749,818 and \$26,052,779, respectively, transferred from Level 2 to Level 1 because no valuation factor was applied at December 31, 2013. During the year ended December 31, 2013, securities issued by CMC Ltd., Godrej Consumer Products Ltd., Piramal Enterprises Ltd. and Sanofi India Ltd., in the amounts of \$3,029,700, \$33,318,713, \$8,684,312 and \$14,174,407, respectively, transferred from Level 1 to Level 2 because there was a valuation factor applied at December 31, 2013.

### **(b) Repurchase Agreements:**

The Fund may enter into repurchase agreements under the terms of a Master Repurchase Agreement. It is the Fund's policy that its custodian/counterparty segregate the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest. The repurchase price generally equals the price paid by the Fund plus interest negotiated on the basis of current short-term rates. To the extent that any repurchase transaction exceeds one business day, the collateral is valued on a daily basis to determine its adequacy. Under the Master Repurchase Agreement, if the counterparty defaults and the value of the collateral declines, or if bankruptcy proceedings are commenced with respect to the counterparty of the security, realization of the collateral by the Fund may be delayed or limited. The Fund held a

repurchase agreement of \$2,355,000 as of December 31, 2013. The value of the related collateral exceeded the value of the repurchase agreement at December 31, 2013.

**(c) Foreign Currency Translation:**

The books and records of the Fund are maintained in U.S. Dollars. Foreign currency amounts are translated into U.S. Dollars at the current rate of exchange as of the Valuation Time to determine the value of investments, assets and liabilities. Purchases and sales of securities, and income and expenses are translated at the prevailing rate of exchange on the respective date of these transactions. The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of securities held. These fluctuations are included with the net realized and unrealized gain or loss from investments and foreign currencies within the Statements of Operations. Foreign securities, currencies, and other assets and liabilities denominated in foreign currencies are translated into U.S. Dollars at the exchange rate of said currencies against the U.S. Dollar, as of the Valuation Time, as provided by an independent pricing service.

**(d) Security Transactions, Investment Income and Expenses:**

Security transactions are recorded on the trade date. Realized and unrealized gains/(losses) from security and currency transactions are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date, except for certain dividends on foreign securities, which are recorded as soon as the Fund is informed after the ex-dividend date. Interest income and expenses are recorded on an accrual basis. Expenses are recorded on an accrual basis.

The India Fund, Inc.

## Notes to Financial Statements (continued)

December 31, 2013

### (e) Distributions:

On an annual basis, the Fund intends to distribute its net realized capital gains, if any, by way of a final distribution to be declared during the calendar quarter ending December 31. Dividends and distributions to shareholders are recorded on the ex-dividend date.

Dividends and distributions to shareholders are determined in accordance with federal income tax regulations, which may differ from GAAP. These differences are primarily due to foreign currency losses, qualified late year losses and investments in passive foreign investment companies.

### (f) Federal Income Taxes:

The Fund intends to continue to qualify as a regulated investment company ( RIC ) by complying with the provisions available to certain investment companies, as defined in Subchapter M of the Internal Revenue Code of 1986, as amended (the Code ), and to make distributions of net investment income and net realized capital gains sufficient to relieve the Fund from all, or substantially all, federal income taxes. Therefore, no federal income tax provision is required.

For the year ended December 31, 2005, a provision of \$25,507,350 was made for U.S. federal income tax purposes as, at that time, it was unclear whether the Fund qualified as a RIC under Subchapter M of the Code for the taxable year ended December 31, 2004. In order to preserve the Fund's status as a RIC under Subchapter M of the Code for the taxable year ended December 31, 2004, on April 20, 2006 the Fund distributed a deficiency dividend to shareholders in the amount of \$1.07 per share, of which \$0.95 per share was designated as a Capital Gain Dividend. Under the deficiency procedure, the maximum that the Fund could have been obligated to pay the Internal Revenue Service in interest and penalties was \$4,956,314. Accordingly, a reversal of \$20,551,036 was made in 2006 related to 2005 tax provision.

In October of 2011, the Fund settled this matter with the Internal Revenue Service for \$2,505,900. Fifty percent of the settlement amount was characterized as interest and was deductible by the Fund; the remaining fifty percent was characterized as a penalty and was not deductible or otherwise recoverable for federal income tax purposes by the Fund. The Fund's former service providers reimbursed the Fund for the full settlement amount. The difference of \$2,450,414 between the accrual and the settlement amount was reversed. The combination of the reimbursed settlement and reversal of the prior accrual was reflected in the 2011 statement of operations.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is more likely than not to be sustained assuming examination by tax authorities. Management of the Fund

has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Since tax authorities can examine previously filed tax returns, the Fund's U.S. federal and state tax returns for each of the four fiscal years up to the most recent fiscal year ended December 31, 2013 are subject to such review.

Dividend and interest income from non-U.S. sources received by the Fund are generally subject to non-U.S. withholding taxes. In addition, the Fund may be subject to capital gains tax in certain countries in which it invests. The above taxes may be reduced or eliminated under the terms of applicable U.S. income tax treaties with some of these countries. The Fund accrues such taxes when the related income is earned.

### 3. Agreements and Transactions with Affiliates

#### (a) Investment Manager:

Aberdeen Asset Management Asia Limited ( AAMAL ) serves as the Fund's investment manager with respect to all investments. AAMAL is a direct wholly-owned subsidiary of Aberdeen Asset Management PLC. For its services, AAMAL receives fees at an annual rate of: (i) 1.10% for the first \$500,000,000 of the Fund's average weekly Managed Assets; (ii) 0.90% for the next \$500,000,000 of the Fund's average weekly Managed Assets; (iii) 0.85% of the next \$500,000,00 of the Fund's average weekly Managed Assets; and (iv) 0.75% of the Fund's average weekly

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Managed Assets in excess of \$1,500,000,000. Managed Assets is defined in the management agreement as net assets plus the amount of any borrowings for investment purposes. For the year ended December 31, 2013, AAMAL earned a gross management fee of \$8,866,865.

AAMAL entered into a written contract ( Expense Limitation Agreement ) with the Fund that is effective through December 18, 2014. The Expense Limitation Agreement limits the total ordinary operating expenses of the Fund (excluding any interest, taxes, brokerage fees, short sale dividend and interest expense and non-routine expenses) from exceeding 1.15% of the average weekly Managed Assets of the Fund on an annualized basis. For the year ended December 31, 2013, AAMAL waived and assumed a total of \$2,284,050 attributable to its management fee and Fund expenses, including, among others, AAMI's investor relations services, as described below.

### **(b) Fund Administration:**

Aberdeen Asset Management Inc. ( AAMI ), an affiliate of AAMAL, serves as the Fund's administrator. For its services, AAMI receives a fee that is computed monthly at an annual rate of: (i) 0.20% of the value of the Fund's average monthly net assets for the first

The India Fund, Inc.



## Notes to Financial Statements (continued)

December 31, 2013

\$1,500,000,000 of the Fund's average monthly net assets and (ii) 0.15% of the value of the Fund's average monthly net assets in excess of \$1,500,000,000 of the Fund's average monthly net assets. For the year ended December 31, 2013, the Fund paid a total of \$1,748,193 in administrative fees to AAMI.

In addition, Cim Fund Services Ltd. (the Mauritius Administrator) provides certain administrative services relating to the operation and maintenance of the Fund in Mauritius. The Mauritius Administrator receives a monthly fee of \$1,500 and is reimbursed for certain additional expenses. For the year ended December 31, 2013, fees and expenses for the Mauritius Administrator amounted to \$29,200.

### (c) Investor Relations:

Under the terms of an Investor Relations Services Agreement, AAMI provides investor relations services to the Fund and certain other funds advised by AAMAL or its affiliates.

Pursuant to the terms of the Investor Relations Services Agreement, AAMI provides, among other things, objective and timely information to shareholders based on publicly-available information; provides information efficiently through the use of technology while offering shareholders immediate access to knowledgeable investor relations representatives; develops and maintains effective communications with investment professionals from a wide variety of firms; creates and maintains investor relations communication materials such as fund manager interviews, films and webcasts, published white papers, magazine and articles and other relevant materials discussing the Fund's investment results, portfolio positioning and outlook; develops and maintains effective communications with large institutional shareholders; responds to specific shareholder questions; and reports activities and results to the Board and management detailing insight into general shareholder sentiment.

For the year ended December 31, 2013, the Fund paid fees and expenses of approximately \$199,887 for investor relations services. Investor relations fees and expenses in the Statement of Operations include certain out-of-pocket expenses.

### 4. Investment Transactions

Purchases and sales of investment securities (excluding short-term securities) for the fiscal year ended December 31, 2013, were \$28,938,215 and \$142,146,377, respectively.

### 5. Capital

The authorized capital of the Fund is 100,000,000 shares of \$0.001 par value common stock. As of December 31, 2013, there were 34,935,115 shares of common stock issued and outstanding.

On July 20, 2009, the Fund commenced a rights offering and issued to stockholders as of July 20, 2009, one right for each share of common stock held. The rights were not transferable and, consequently, were not listed on any exchange. The rights entitled holders to subscribe for an aggregate of 12,826,207 shares of the Fund's common stock. In addition, the Fund had the option of issuing additional shares in an amount up to 25% of the shares that were available in the primary offering, or 3,206,551 shares, for an aggregate total of 16,032,758 shares. The offer expired on August 14, 2009. The Fund sold 11,614,192 shares at the subscription price per share of \$26.42 (representing 95% of the Fund's net asset value per share on the expiration date of the offer). The total proceeds of the rights offering were \$306,846,952, and the Fund incurred costs of \$921,470.

On December 7, 2012, the Board of Directors declared the payment of an elective cash distribution to be paid in the amount of \$2.37123 per share of common stock on January 31, 2013 to stockholders of record at the close of business on December 21, 2012. As announced, the distribution was payable in the Fund's common stock. However, stockholders had the option to request that their distributions be paid in cash in lieu of common stock. The aggregate amount of cash distributions to all stockholders was limited to 20% of the aggregate dollar amount of the total distribution. Because cash distribution requests exceeded this limit, the Fund pro-rated the cash distribution among all stockholders who made such requests. Stockholders who requested cash distributions received \$1.00 per share or 35.99% of the distribution in cash and received

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the balance in the Fund's common stock. For purposes of computing the stock portion of the dividend, the common stock distributed was valued at \$21.93 per share, which equaled the average closing price of the Fund's common shares on the NYSE on January 25, 2013 and the two preceding trading days. Following the closing of the elective cash distribution, the Fund issued 3,188,277 shares.

### **6. Semi-Annual Repurchase Offers:**

In February 2003, the Board of Directors approved, subject to stockholder approval, a fundamental policy whereby the Fund would adopt an interval fund structure pursuant to Rule 23c-3 under the 1940 Act. Stockholders of the Fund subsequently approved the policy at the Special Meeting of Stockholders held on April 23, 2003. As an interval fund, the Fund makes periodic repurchase offers at net asset value (less a 2% repurchase fee) to all Fund stockholders. The percentage of outstanding shares that the Fund can repurchase in each offer will be established by the Fund's Board of Directors shortly before the commencement of each offer, and will be between 5% and 25% of the Fund's then outstanding shares. In order to participate in a repurchase offer, stockholders are asked to

The India Fund, Inc.

## Notes to Financial Statements (continued)

December 31, 2013

comply with the requirements in the Offer to Repurchase related to the offer. See Note 12 for information about the Special Meeting of Shareholders held February 3, 2014, where shareholders of the Fund voted to eliminate the Fund's interval structure.

During the year ended December 31, 2013, the results of the periodic repurchase offers were as follows:

|  | <b>Repurchase Offer #20</b> | <b>Repurchase Offer #21</b> |
|--|-----------------------------|-----------------------------|
| Commencement Date                                  | February 22, 2013           | August 23, 2013             |
| Expiration Date                                    | March 15, 2013              | September 13, 2013          |
| Repurchase Offer Date                              | March 22, 2013              | September 20, 2013          |
| % of Issued and Outstanding Shares of Common Stock | 5%                          | 5%                          |
| Shares Validly Tendered                            | 13,848,020.0000             | 13,431,698.5000             |
| Final Odd Lot Shares                               | 285,027.0195                | N/A*                        |
| Final Pro-ration Non-Odd Lot Shares                | 13,562,993.0000             | 13,334,418.5000             |
| % of Non-Odd Lot Shares Accepted                   | 12.66%                      | 14.10%                      |
| Shares Accepted for Tender                         | 2,002,406.0000              | 1,880,529.0000              |
| Net Asset Value as of Repurchase Offer Date (\$)   | 23.88                       | 22.75                       |
| Repurchase Fee per Share (\$)                      | 0.4776                      | 0.4550                      |
| Repurchase Offer Price (\$)                        | 23.4024                     | 22.2950                     |
| Repurchase Fee (\$)                                | 956,349                     | 855,641                     |
| Expenses (\$)                                      | 162,000                     | 157,050                     |
| Total Cost (\$)                                    | 47,023,106                  | 42,083,444                  |

\* Effective May 13, 2013, The India Fund, Inc. discontinued the practice of accepting all shares tendered by stockholders who own, beneficially or of record, an aggregate of not more than 99 shares before prorating shares tendered by others.

During the year ended December 31, 2012, the results of the periodic repurchase offers were as follows:

|  | <b>Repurchase Offer #18</b> | <b>Repurchase Offer #19</b> |
|--|-----------------------------|-----------------------------|
| Commencement Date                                  | February 24, 2012           | August 17, 2012             |
| Expiration Date                                    | March 16, 2012              | September 14, 2012          |
| Repurchase Offer Date                              | March 23, 2012              | September 21, 2012          |
| % of Issued and Outstanding Shares of Common Stock | 5%                          | 5%                          |
| Shares Validly Tendered                            | 8,841,730.0200              | 10,884,951.0000             |
| Final Odd Lot Shares                               | 85,097.0000                 | 174,782.0000                |
| Final Pro-ration Non-Odd Lot Shares                | 8,756,633.0200              | 10,710,169.0000             |
| % of Non-Odd Lot Shares Accepted                   | 22.35%                      | 16.57%                      |
| Shares Accepted for Tender                         | 2,042,097.0000              | 1,939,992.0000              |
| Net Asset Value as of Repurchase Offer Date (\$)   | 24.58                       | 25.83                       |
| Repurchase Fee per Share (\$)                      | 0.4916                      | 0.5166                      |
| Repurchase Offer Price (\$)                        | 24.0884                     | 25.3134                     |
| Repurchase Fee (\$)                                | 1,003,895                   | 1,002,200                   |
| Expenses (\$)                                      | 199,427                     | 159,200                     |
| Total Cost (\$)                                    | 49,390,276                  | 49,266,993                  |



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## Notes to Financial Statements (continued)

December 31, 2013

### Fundamental Periodic Repurchase Policy

The Fund has adopted the following fundamental policy regarding periodic repurchases:

- a) The Fund will make offers to repurchase its shares at semi-annual intervals pursuant to Rule 23c-3 under the Investment Company Act of 1940, as amended ( Offers ). The Board of Directors may place such conditions and limitations on the Offers as may be permitted under Rule 23c-3.
- b) 14 days prior to the last Friday of the Fund's first and third fiscal quarters, or the next business day if such Friday is not a business day, will be the deadline (the Repurchase Request Deadline ) by which the Fund must receive repurchase requests submitted by stockholders in response to the most recent Offer.
- c) The date on which the repurchase price for shares is to be determined (the Repurchase Pricing Date ) shall occur no later than the last Friday of the Fund's first and third fiscal quarters, or the next business day if such day is not a business day.
- d) Offers may be suspended or postponed under certain circumstances, as provided for in Rule 23c-3. See Note 12 for information about the Special Meeting of Shareholders held February 3, 2014, where shareholders of the Fund voted to eliminate the Fund's interval structure.

### 7. Open Market Repurchase Policy

Effective October 30, 2012, the Board authorized management to make open market purchases from time to time in an aggregate amount up to 10% of the Fund's outstanding shares, as of a date determined by the Board. Such purchases may be made when, in the reasonable judgment of management, such repurchases may enhance shareholder value. The Board has instructed management to report repurchase activity to it regularly. The number of shares repurchased will be posted on the Fund's website on a monthly basis. For the year ended December 31, 2013, the Fund repurchased 1,230,086 shares through this program.

### 8. Portfolio Investment Risks

#### (a) Risks Associated with Foreign Securities and Currencies:

Investments in securities of foreign issuers carry certain risks not ordinarily associated with investments in securities of U.S. issuers. These risks include, among others, future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws and restrictions. In addition, with respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, and political or social instability or

diplomatic developments, which could adversely affect investments in those countries.

Certain countries also may impose substantial restrictions on investments in their capital markets by foreign entities, including restrictions on investments in issuers of industries deemed sensitive to relevant national interests. These factors may limit the investment opportunities available and result in a lack of liquidity and high price volatility with respect to securities of issuers from developing countries. Foreign securities may also be harder to price than U.S. securities.

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Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. In addition, if there is deterioration in a country's balance of payments or for other reasons, a country may impose temporary restrictions on foreign capital remittances abroad. Amounts repatriated prior to the end of specified periods may be subject to taxes as imposed by a foreign country.

### (b) Risks Associated with Indian Markets:

The Indian securities markets are, among other things, substantially smaller, less developed, less liquid and more volatile than the major securities markets in the United States. Consequently, acquisitions and dispositions of Indian securities involve special risks and considerations not present with respect to U.S. securities.

### 9. Contingencies

In the normal course of business, the Fund may provide general indemnifications pursuant to certain contracts and organizational documents. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund, and therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote.

### 10. Tax Information

The U.S. federal income tax basis of the Fund's investments and the net unrealized appreciation as of December 31, 2013 were as follows:

|                                 |                     |                     | <b>Net</b>          |
|---------------------------------|---------------------|---------------------|---------------------|
|                                 |                     |                     | <b>Unrealized</b>   |
| <b>Tax Basis of Investments</b> | <b>Appreciation</b> | <b>Depreciation</b> | <b>Appreciation</b> |
| \$556,931,927                   | \$ 295,509,857      | \$ (21,602,719)     | \$ 273,907,138      |

The India Fund, Inc.

## Notes to Financial Statements (continued)

December 31, 2013

Income and capital gains distributions are determined in accordance with federal income tax regulations, which may differ from GAAP. The tax character of distributions paid during the fiscal years ended December 31, 2013 and December 31, 2012 was as follows:

|   | December 31, 2013    | December 31, 2012    |
|---|----------------------|----------------------|
| Distributions paid from:                    |                      |                      |
| Ordinary Income                             | \$ 2,948,174         | \$ 5,404,909         |
| Net long-term capital gains                 | 30,353,402           | 81,998,442           |
| <b>Total tax character of distributions</b> | <b>\$ 33,301,576</b> | <b>\$ 87,403,351</b> |

As of December 31, 2013, the components of accumulated earnings on a tax basis were as follows:

|  |                       |
|--|-----------------------|
| Undistributed ordinary income net              | \$                    |
| Undistributed long-term capital gains net      | 3,805,314             |
| Total undistributed earnings                   | \$ 3,805,314          |
| Late year loss deferral                        | (187,577)             |
| Unrealized appreciation/(depreciation)         | 273,950,688*          |
| <b>Total accumulated earnings/(losses) net</b> | <b>\$ 277,568,425</b> |

\* The tax basis of components of distributable earnings differs from the amounts reflected in the Statement of Assets and Liabilities by temporary book/tax differences. These differences are primarily timing differences due to wash sales and investments on passive foreign investment companies.

For the year ended December 31, 2013, the Fund deferred qualified late year losses of \$(187,577). Under federal tax law, qualified late year losses realized from investment income transactions after October 31 may be deferred and treated as occurring in the following year.

Under the Regulated Investment Company Modernization Act of 2010, the Fund is permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. Accordingly, during the current year, \$1,120,121 has been reclassified from distributions in excess of net investment income to accumulated net realized gains on investments and foreign currency transactions as a result of permanent differences primarily attributable to foreign currency gains and distribution redesignations. These reclassifications have no effect on net assets or net asset values per share.

### 11. Foreign Income Tax

The Fund conducts its investment activities in India as a tax resident of Mauritius and expects to obtain benefits under the double taxation treaty between Mauritius and India (the tax treaty). To obtain benefits under the tax treaty, the Fund must meet certain tests and conditions, including the establishment of Mauritius tax residence and related requirements. The Fund has obtained a certificate from the Mauritian authorities that it is a resident of Mauritius under the tax treaty between Mauritius and India. Under current regulations, a fund which is a tax resident in Mauritius

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under the tax treaty, but has no branch or permanent establishment in India, will not be subject to capital gains tax in India on the sale of securities or to tax on dividends paid by Indian companies. The Fund will, in any year that it has taxable income for Mauritius tax purposes, pay tax on its net income for Mauritius tax purposes at a rate of 15%.

The Fund is not taxed on long-term capital gains for Mauritius tax purposes. In May 2012, the Government of India enacted certain legislative amendments to its existing income tax laws. The implementation of general anti-avoidance rules (GAAR), which empowers the Indian Revenue Authorities to disregard structures that they deem to lack commercial substance, has been deferred until 2016. If the Indian Revenue Authorities applied these new rules to the Fund, it could affect the benefits the Fund receives under the tax treaty. Management is monitoring the status of these developments.

The India Fund, Inc.



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## Notes to Financial Statements (concluded)

December 31, 2013

### 12. Subsequent Events

Management has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the Financial Statements were issued. Based on this evaluation, except as noted below, no disclosures and/or adjustments were required to the Financial Statements as of December 31, 2013.

The Board of Directors approved the elimination of the Fund's interval fund structure, subject to stockholder approval. At a special meeting of stockholders ( Special Meeting ) held on February 3, 2014, stockholders approved the elimination of the interval structure, a fundamental policy of the Fund (the Policy ) pursuant to Section 23c-3 of the 1940 Act. As a result, the Fund eliminated its interval fund structure effective February 3, 2014.

In conjunction with the proxy vote, the Board extended a targeted discount policy whereby the Fund intends to buy 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 and review the targeted discount of not more than a 10% volume-weighted average after a

two-year period commencing from the completion of the date of the tender. If the 10% volume-weighted average discount is not attained over the two-year period, the Board may, but is not obligated to, consider other actions that, in its judgment, may be effective to address the discount.

In addition, on February 19, 2014, the Fund announced that the Board of Directors approved the commencement of a cash tender offer to acquire up to 15% of the Fund's outstanding shares at a price of 98% of the Fund's NAV. The Tender Offer will commence on or about March 7, 2014. The tender offer will be made on the terms and subject to the conditions set forth in the Fund's Offer to Repurchase and related Letter of Transmittal, which will be filed by the Fund with the SEC on or about March 7, 2014 on Schedule TO, as such documents may be amended or supplemented prior to the expiration date of the tender offer.

On January 17, 2014 the Fund announced that it paid on that date a distribution of \$0.88983 per share to all stockholders of record as of December 31, 2013.

The India Fund, Inc.

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of

The India Fund, Inc.

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statement of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The India Fund, Inc. (the Fund) at December 31, 2013, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements) are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2013 by correspondence with the custodian and broker, provide a reasonable basis for our opinion.

Philadelphia, Pennsylvania

February 26, 2014

The India Fund, Inc.

## Tax Information (unaudited)

The following information is provided with respect to the distributions paid by The India Fund, Inc. during the fiscal year ended December 31, 2013:

| Payable<br>Date | Total Cash   | Long-Term<br>Capital | Tax<br>Return of<br>Capital | Net<br>Ordinary<br>Dividend | Foreign<br>Taxes<br>Paid | Gross<br>Ordinary<br>Dividend | Qualified<br>Dividends <sup>(1)</sup> | Foreign<br>Source<br>Income |
|-----------------|--------------|----------------------|-----------------------------|-----------------------------|--------------------------|-------------------------------|---------------------------------------|-----------------------------|
|                 | Distribution | Gain                 |                             |                             |                          |                               |                                       |                             |
| 10/18/13        | 0.06200      | 0.06200              |                             |                             |                          |                               |                                       |                             |
| 1/17/14         | 0.88983      | 0.80544              |                             | 0.08439                     |                          | 0.08439                       | 0.08439                               | 0.08439                     |

(1) The Fund hereby designates the amount indicated above or the maximum amount allowable by law.

## Dividend Reinvestment and Cash Purchase Plan (unaudited)

The Fund intends to distribute annually to stockholders substantially all of its net investment income and to distribute any net realized capital gains at least annually. Net investment income for this purpose is income other than net realized long-term and short-term capital gains net of expenses.

Pursuant to the Dividend Reinvestment and Cash Purchase Plan (the Plan), stockholders whose shares of Common Stock are registered in their own names will be deemed to have elected to have all distributions automatically reinvested by the Plan Agent in the Fund shares pursuant to the Plan, unless such stockholders elect to receive distributions in cash. Stockholders who elect to receive distributions in cash will receive such distributions paid by check in U.S. Dollars mailed directly to the stockholder by Computershare Trust Company N.A., as dividend paying agent. In the case of stockholders such as banks, brokers or nominees that hold shares for others who are beneficial owners, the Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by the stockholders as representing the total amount registered in such stockholders' names and held for the account of beneficial owners that have not elected to receive distributions in cash. Investors that own shares registered in the name of a bank, broker or other nominee should consult with such nominee as to participation in the Plan through such nominee, and may be required to have their shares registered in their own names in order to participate in the Plan.

The Plan Agent serves as agent for the stockholders in administering the Plan. If the Directors of the Fund declare an income dividend or a capital gains distribution payable either in the Fund's Common Stock or in cash, nonparticipants in the Plan will receive cash and participants in the Plan will receive Common Stock, to be issued by the Fund or purchased by the Plan Agent in the open market, as

provided below. If the market price per share on the valuation date equals or exceeds net asset value per share on that date, the Fund will issue new shares to participants at net asset value; provided, however, that if the net asset value is less than 95% of the market price on the valuation date, then such shares will be issued at 95% of the market price. The valuation date will be the dividend or distribution payment date or, if that date is not a New York Stock Exchange trading day, the next preceding trading day. If net asset value exceeds the market price of Fund shares at such time, or if the Fund should declare an income dividend or capital gains distribution payable only in cash, the Plan Agent will, as agent for

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the participants, buy Fund shares in the open market, on the New York Stock Exchange or elsewhere, for the participants' accounts on, or shortly after, the payment date. If, before the Plan Agent has completed its purchases, the market price exceeds the net asset value of a Fund share, the average per share purchase price paid by the Plan Agent may exceed the net asset value of the Fund's shares, resulting in the acquisition of fewer shares than if the distribution had been paid in shares issued by the Fund on the dividend payment date. Because of the foregoing difficulty with respect to open-market purchases, the Plan provides that if the Plan Agent is unable to invest the full dividend amount in open-market purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Agent will cease making open-market purchases and will receive the uninvested portion of the dividend amount in newly issued shares at the close of business on the last purchase date.

Participants have the option of making additional cash payments to the Plan Agent, annually, in any amount from \$100 to \$3,000, for investment in the Fund's Common Stock. The Plan Agent will use all

The India Fund, Inc.

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## Dividend Reinvestment and Cash Purchase Plan (unaudited) (concluded)

such funds received from participants to purchase Fund shares in the open market on or about February 15.

Any voluntary cash payment received more than 30 days prior to this date will be returned by the Plan Agent, and interest will not be paid on any uninvested cash payment. To avoid unnecessary cash accumulations, and also to allow ample time for receipt and processing by the Plan Agent, it is suggested that participants send in voluntary cash payments to be received by the Plan Agent approximately ten days before an applicable purchase date specified above. A participant may withdraw a voluntary cash payment by written notice, if the notice is received by the Plan Agent not less than 48 hours before such payment is to be invested.

The Plan Agent maintains all shareholder accounts in the Plan and furnishes written confirmations of all transactions in an account, including information needed by stockholders for personal and tax records. Shares in the account of each Plan participant will be held by the Plan Agent in the name of the participant, and each shareholder's proxy will include those shares purchased pursuant to the Plan.

There is no charge to participants for reinvesting dividends or capital gains distributions or voluntary cash payments. The Plan Agent's fees for the reinvestment of dividends, capital gains distributions and voluntary cash payments will be paid by the Fund. There will be no brokerage charges with respect to shares issued directly by the Fund as a result of dividends or capital gains distributions payable either in

stock or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends, capital gains distributions and voluntary cash payments made by the participant. Brokerage charges for purchasing small amounts of stock for individual accounts through the Plan are expected to be less than the usual brokerage charges for such transactions because the Plan Agent will be purchasing stock for all participants in blocks and prorating the lower commission thus attainable.

The receipt of dividends and distributions under the Plan will not relieve participants of any income tax that may be payable on such dividends or distributions.

Experience under the Plan may indicate that changes in the Plan are desirable. Accordingly, the Fund and the Plan Agent reserve the right to terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to notice of the termination sent to members of the Plan at least 30 days before the record date for such dividend or distribution. The Plan also may be amended by the Fund or the Plan Agent, but (except when necessary or appropriate to comply with applicable law, rules or policies of a regulatory authority) only by at least 30 days' written notice to participants in the Plan. All correspondence concerning the Plan should be directed to the Plan Agent at Computershare, P.O. Box 30170, College Station, TX 77842-3170.

## Supplemental Information

### Approval of Investment Advisory Agreement

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The Investment Company Act of 1940, as amended (the 1940 Act ), requires that the Board of Directors (the Board ) of The India Fund, Inc. (the Fund ), including a majority of its members who are not considered to be interested persons under the 1940 Act (the Independent Directors ) voting separately, approve on an annual basis the continuation of the Fund s investment advisory agreement (the Agreement ) with the Fund s investment adviser, Aberdeen Asset Management Asia Limited (the Adviser ), a wholly-owned subsidiary of Aberdeen Asset Management PLC ( Aberdeen ). The Agreement was first approved by the Board and the Fund s stockholders in 2011 for an initial two-year term, and the Adviser has provided the investment advisory and other services contemplated by the Agreement since December 19, 2011 (the Aberdeen Assumption Date ). At a meeting (the Contract Renewal

Meeting ) held in person on October 29, 2013, the Board, including the Independent Directors, considered and approved the continuation of the Agreement for an additional one-year term. To assist in its consideration of the renewal of the Agreement, the Board requested, received and considered a variety of information (together with the information provided at the Contract Renewal Meeting, the Contract Renewal Information ) about the Adviser, as well as the investment advisory arrangements for the Fund and one other closed-end fund in the same complex under the Board s supervision (the Other Aberdeen Fund ), certain portions of which are discussed below. The presentation made by the Adviser to the Board at the Contract Renewal Meeting in connection with its evaluation of the Agreement encompassed the Fund and the Other Aberdeen Fund. In addition to the Contract Renewal Information, the Board received performance and other information during the

The India Fund, Inc.

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## Supplemental Information (continued)

previous year related to the services rendered by the Adviser to the Fund. The Board's evaluation took into account the information received since the Fund's inception, including the period since the Aberdeen Assumption Date, and also reflected the knowledge and familiarity gained as members of the Board with respect to the investment advisory and other services provided to the Fund by the Adviser under the Agreement.

### Board Approval of the Agreement

In its deliberations regarding renewal of the Agreement, the Board, including the Independent Directors, considered various factors, including those set forth below.

*Nature, Extent and Quality of the Services Provided to the Fund under the Agreement* The Board received and considered Contract Renewal Information regarding the nature, extent and quality of services provided to the Fund by the Adviser under the Agreement since the Aberdeen Assumption Date. The Board also reviewed Contract Renewal Information regarding the Fund's compliance policies and procedures established pursuant to the 1940 Act and the Fund's compliance record since the Aberdeen Assumption Date.

The Board reviewed the qualifications, backgrounds and responsibilities of the Fund's senior personnel and the portfolio management team primarily responsible for the day-to-day portfolio management of the Fund. The Board also considered, based on its knowledge of the Adviser and its affiliates, the Contract Renewal Information and the Board's discussions with the Adviser at the Contract Renewal Meeting, the general reputation and investment performance records of the Adviser and its affiliates and the financial resources of Aberdeen available to support its activities in respect of the Fund and the Other Aberdeen Fund.

The Board considered the responsibilities of the Adviser under the Agreement, including the Adviser's coordination and oversight of the services provided to the Fund by other affiliated and unaffiliated parties.

In reaching its determinations regarding continuation of the Agreement, the Board took into account that the Fund's stockholders, in pursuing their investment goals and objectives, likely considered the reputation and the investment style, philosophy and strategy of the Adviser, as well as the resources available to the Adviser, in purchasing their shares.

The Board concluded that, overall, the nature, extent and quality of the advisory and other services provided to the Fund under the Agreement have been of high quality.

*Fund Performance* The Board received and considered performance information and analyses for the Fund, as well as for a group of funds identified by the Adviser as comparable to the Fund regardless of asset size (the Performance Peer Group), prepared by Strategic Insight, an independent provider of investment company data (such information being hereinafter referred to as the Strategic Insight Performance Information). The Performance Peer Group consisted of two funds, including the Fund. The Board noted that it had received and discussed information with the Adviser at periodic intervals since the Aberdeen Assumption Date comparing the Fund's performance against its benchmarks and its peer funds.

The Strategic Insight Performance Information comparing the Fund's performance to that of the Performance Peer Group based on net asset value per share showed, among other things, that the Fund's performance for the 1-year period ended June 30, 2013 was ranked first among the funds in the Performance Peer Group. The Fund's performance since the Aberdeen Assumption Date reflects, in part, the impact of cash held by the Fund during orderly repositioning of the Fund's portfolio following the Aberdeen Assumption Date to reflect the Adviser's investment strategies and philosophy. The Board noted that the small size of the Performance Peer Group made meaningful performance comparisons difficult. In addition to the Fund's performance relative to the Performance Peer Group, the Board considered the Fund's performance relative to its benchmarks and in absolute terms. The information provided to the Board showed that the Fund outperformed its benchmark for the 1-, 3-, 5- and 10-year periods ended June 30, 2013. The Board noted that the Fund's performance record for the 3-, 5- and 10-year periods was achieved in part by a predecessor investment adviser to the Fund and did not give significant weight to performance information relating to periods prior to the Aberdeen Assumption Date.

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Based on its review, the Board concluded that, under the circumstances, the Fund's performance supported continuation of the Agreement for an additional period of one year.

*Management Fees and Expenses* The Board reviewed and considered the investment advisory fee (the Advisory Fee ) payable under the Agreement by the Fund to the Adviser in light of the nature, extent and overall high quality of the investment advisory and other services provided by the Adviser to the Fund.

Additionally, the Board received and considered information and analyses (the Strategic Insight Expense Information ) prepared by Strategic Insight, comparing the Advisory Fee and the Fund's overall expenses with those of funds in an expense group (the

The India Fund, Inc.



## Supplemental Information *(continued)*

Expense Group ) selected and provided by Strategic Insight. The comparison was based upon the constituent funds' latest fiscal years. The Expense Group consisted of the Fund, one other closed-end India equity fund, four closed-end China region funds, two closed-end Pacific/Asia ex-Japan Stock funds, one closed-end diversified Pacific/Asia fund, and five miscellaneous regional funds, as classified by Strategic Insight. The Expense Group funds had portfolio assets ranging from \$43 million to \$1.13 billion. One of the other funds in the Expense Group was larger than the Fund and 12 of the other funds were smaller. The Strategic Insight Expense Information, comparing the Fund's actual total expenses to the Expense Group, showed, among other things, that the Fund's contractual management fee, which consists of the gross advisory fee and gross administrative fee, ranked tenth of fourteen funds in the Expense Group (in these rankings first is best) and that the Fund's net management fee (i.e., giving effect to any voluntary fee waivers to the advisory fee and administration fee implemented by the Adviser and by the managers of the other Expense Group funds), ranked seventh of fourteen funds in the Expense Group and was slightly lower than the Expense Group median. The Strategic Insight Expense Information showed that after all fee waivers the Fund's total expense ratio ranked third of fourteen funds in the Expense Group and was significantly lower than the Expense Group median. The Board further noted that the small number and varying types and sizes of funds in the Expense Group made meaningful expense comparisons difficult.

The Board also reviewed Contract Renewal Information regarding fees charged by the Adviser to other U.S. clients, including registered investment companies with differing mandates, and to institutional and separate accounts ( institutional accounts ). Among other things, the Board considered (i) that the Fund is subject to heightened regulatory requirements relative to institutional accounts; (ii) that the Fund is provided with administrative services, office facilities and Fund officers (including the Fund's chief executive, chief financial and chief compliance officers); and (iii) that the Adviser coordinates and oversees the provision of services to the Fund by other fund service providers. The Board considered the fee comparisons in light of the different services provided in managing these other types of clients and funds.

Taking all of the above into consideration, the Board determined that the Advisory Fee was reasonable in light of the nature, extent and overall quality of the investment advisory and other services provided to the Fund under the Agreement. The Board considered that the Fund and the Adviser entered into an

expense limitation agreement (the Expense Limitation Agreement ), dated December 19, 2011, which is scheduled to expire on December 18, 2014.

*Profitability* The Board, as part of the Contract Renewal Information, received an analysis of the profitability to the Adviser and its affiliates in providing services to the Fund for the past year and since the Aberdeen Assumption Date. In addition, the Board received the Adviser's revenue and cost allocation methodologies used in preparing such profitability data. The profitability analysis, among other things, indicated that profitability to the Adviser in providing investment advisory and other services to the Fund was at a level which was not considered excessive by the Board in light of the nature, extent and overall high quality of such services. The Board also considered that the Expense Limitation Agreement has reduced the Adviser's profitability but is scheduled to expire on December 18, 2014.

*Economies of Scale* The Board received and discussed Contract Renewal Information concerning whether the Adviser would realize economies of scale if the Fund's assets grow. The Board noted that because the Fund is a closed-end fund with no current plans to seek additional assets beyond maintaining its dividend reinvestment plan, any significant growth in its assets generally will occur through appreciation in the value of the Fund's investment portfolio, rather than sales of additional shares in the Fund. The Board considered that the Fund's interval structure operates to reduce, and has reduced, Fund assets since the Aberdeen Assumption Date. The Board determined that the Advisory Fee structure was appropriate under present circumstances.

*Other Benefits to the Adviser* The Board considered other benefits received by the Adviser and its affiliates as a result of the Adviser's relationship with the Fund, including fees for administration and investor relation services, and did not regard such benefits as excessive.

\* \* \* \* \*

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In light of all of the foregoing and other relevant factors, the Board determined that, under the circumstances, continuation of Agreement would be in the best interests of the Fund and its stockholders and unanimously voted to continue the Agreement for a period of one additional year.

No single factor reviewed by the Board was identified by the Board as the principal factor in determining whether to approve

The India Fund, Inc.

## Supplemental Information *(continued)*

continuation of the Agreement for the next year, and each Board member attributed different weights to the various factors. The Independent Directors were advised by separate independent legal counsel throughout the process. Prior to the Contract Renewal Meeting, the Board received a memorandum prepared by counsel to the Fund discussing its responsibilities in connection with the proposed continuation of the Agreement as part of the Contract

Renewal Information and the Independent Directors separately received a memorandum discussing such responsibilities from their independent counsel. Prior to voting, the Independent Directors discussed the proposed continuation of the Agreement in a private session with their independent legal counsel at which no representatives of the Adviser were present.

The India Fund, Inc.

## Management of the Fund (unaudited)

The names of the Directors and Officers of the Fund, their addresses, ages, and principal occupations during the past five years are provided in the tables below. Directors that are deemed interested persons (as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended) of the Fund or the Fund's investment adviser are included in the table below under the heading Interested Directors. Directors who are not interested persons, as described above, are referred to in the table below under the heading Independent Directors.

### Board of Directors Information

| Name, Address, and Year of Birth  | Position(s) Held With the Fund  | Term of Office and Length of Time Served                        | Principal Occupation(s) During Past Five Years   | Number of Funds in Fund Complex* Overseen by Director | Other Directorships Held by Director  |
|---|---|---|--|---|---|
| <b>Independent Directors</b>  |   |   |  |   |   |
| <b>Jeswald W. Salacuse</b><br>c/o Aberdeen Asset Management Inc.<br>1735 Market Street, 32 <sup>nd</sup> Floor<br>Philadelphia, PA 19103<br><br>Year of Birth: 1938 | Chairman of the Board of Directors, Nominating Committee, Valuation Committee and Audit Committee | Since 1993;<br><br>Current term ends at the 2015 Annual Meeting | Mr. Salacuse has been the Henry J. Braker Professor of Commercial Law at The Fletcher School of Law & Diplomacy, Tufts University, since 1986. He has also served as International Arbitrator, Arbitration Tribunal, ICSID, World Bank since 2004.   | 2   | Director of 34 registered investment companies advised by Legg Mason Partners Fund Advisor, LLC and its affiliates. |
| <b>Lawrence K. Becker</b><br>c/o Aberdeen Asset Management Inc.<br>1735 Market Street, 32 <sup>nd</sup> Floor<br>Philadelphia, PA 19103<br><br>Year of Birth: 1955  | Director, Audit Committee, Valuation Committee, and Nominating Committee Member                   | Since 2003;<br><br>Current term ends at the 2015 Annual Meeting | Mr. Becker has served as Private Investor of Real Estate Investment Management since July 2003. He was Treasurer of the France Growth Fund, Inc. from 2004 to 2008 and Vice President and Controller/Treasurer of National Financial Partners from 2000 to 2003.   | 2   | Director of two registered investment companies advised by Advantage Advisers L.L.C. or its affiliates.             |
| <b>J. Marc Hardy</b><br>c/o Cim Fund Services Ltd,<br>33, Edith Cavell Street,<br>Port Louis, Mauritius<br><br>Year of Birth: 1955                                  | Director, Audit Committee and Nominating Committee Member   | Since 2002;<br><br>Current term ends at the 2016 Annual Meeting | Mr. Hardy is a qualified stockbroker and has been providing investment advice to pension and investment funds for many years through Axys Capital Management. Since October 2010, he is the investment manager of NMHGSF, a large pension fund, and acts as Treasurer to a large group where he uses extensively derivatives products to manage foreign exchange risk and improve profitability. Mr. Hardy has served as a member of the Board Investment Committee of | 1   | Director of Hanover Reinsurance Ltd. and The Mauritius Development Investment Trust Ltd.                            |

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|  |  |   |  |   |
|--|--|---|--|---|
| Year of Birth: 1954  | Meeting  | Mauritius Union Group since January 2012, is Chairman of the Investment Committee of SBM Mauritius Asset Managers Ltd., a wholly owned subsidiary of State Bank of Mauritius Ltd. since May 2012, and is a member of several investment committees for highly reputable institutions. | 1  | Director of Arisaig Partners (Mauritius) Ltd. |
| <p><b>Stephane R.F. Henry</b></p> <p>c/o Cim Fund Services Ltd,</p> <p>33, Edith Cavell Street,</p> <p>Port Louis, Mauritius</p> | <p>Director, Audit Committee and Nominating Committee Member</p> | <p>Since 2004</p> <p>Current term ends at the 2014 Annual Meeting</p>   | <p>Mr. Henry has been the Chief Executive Officer of Investment Professionals Ltd. (investment management) since 2005 and a Director of Ipro Growth Fund Ltd since 2011. He is also a Director of several other funds registered in Mauritius.</p> | 1   |

Year of Birth: 1967

The India Fund, Inc.

## Management of the Fund (unaudited) (continued)

| Name, Address, and Year of Birth   | Position(s) Held With the Fund                                   | Term of Office and Length of Time Served   | Principal Occupation(s) During Past Five Years  | Number of Funds in Fund Complex* Overseen by Director | Other Directorships Held by Director  |
|--|--|--|---|---|---|
| <p><b>Leslie H. Gelb</b></p> <p>c/o Aberdeen Asset Management Inc.</p> <p>1735 Market Street, 32<sup>nd</sup> Floor</p> <p>Philadelphia, PA 19103</p> <p>Year of Birth: 1937</p> | <p>Director, Audit Committee and Nominating Committee Member</p> | <p>Since 1994;</p> <p>Current term</p> <p>ends at the</p> <p>2014 Annual Meeting</p> | <p>Mr. Gelb has been the President Emeritus of The Council on Foreign Relations since 2003. Previously, he was a Columnist, Deputy Editorial Page Editor and Editor, Op-Ed Page, of <i>The New York Times</i>, as well as a senior official in the departments of State and Defense.</p>  | 2   | <p>Director of 34 Registered Investment Companies advised by Legg Mason Partners Fund Advisor, LLC and its affiliates.</p>                            |
| <p><b>Luis Rubio</b></p> <p>c/o Aberdeen Asset Management Inc.</p> <p>1735 Market Street, 32<sup>nd</sup> Floor</p> <p>Philadelphia, PA 19103</p> <p>Year of Birth: 1955</p>     | <p>Director, Audit Committee and Nominating Committee Member</p> | <p>Since 1999;</p> <p>Current term</p> <p>ends at the</p> <p>2014 Annual Meeting</p> | <p>Mr. Rubio has been the Chairman of Centro de Investigacion para el Desarrollo, A.C. (Center of Research for Development) since 2000. He is also a frequent contributor of op-ed pieces to <i>The Wall Street Journal</i>.</p>  | 2   | <p>Director of two registered investment companies advised by Advantage Advisers L.L.C. or its affiliates.</p>  |
| <p><b>Interested Directors</b></p>   |  |  |   |   |   |
| <p><b>Martin J. Gilbert**</b></p> <p>Aberdeen Asset Management PLC</p> <p>10 Queen s Terrace Aberdeen, Scotland</p> <p>AB10 1YG</p> <p>Year of Birth: 1955</p>                   | <p>Director</p>  | <p>Since 2012;</p> <p>Current term</p> <p>ends at the</p> <p>2015 Annual Meeting</p> | <p>Mr. Gilbert is a founding director and shareholder, and Chief Executive of Aberdeen Asset Management PLC, the holding company of the fund management group that was established in 1983. Director (1991 present), Aberdeen Asset Management Asia Limited; and Director (2000 present), Aberdeen Asset Management Limited. He has been a Director since 1995, and has been President since September 2006 of Aberdeen Asset Management Inc.; Mr. Gilbert also serves as officer and/or director of various Group subsidiary companies, Aberdeen-managed investment trusts and funds boards.</p> | 33  | <p>Member of Board of: Bogey One Limited, British Sky Broadcasting Group PLC, FirstGroup PLC, St. Julegar Limited, and World Media Rights Limited</p> |
| <p><b>Hugh Young**</b></p> <p>c/o Aberdeen Asset</p> <p>Year of Birth: 1955</p>  | <p>Director</p>  | <p>Since 2012;</p> <p>Current term</p>   | <p>Mr. Young has been a member of the Executive Management Committee of Aberdeen Asset Management PLC since 1991. He has been Managing Director of Aberdeen Asset</p>   | 2   | <p>None</p>   |

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Management Inc.

ends at the Management Asia Limited since 1991.

Attn: US Legal 1735 Market Street,  
32<sup>nd</sup> Floor,

2016 Annual

Philadelphia, PA 19103

Meeting

Year of Birth: 1958

- \* Aberdeen Asia-Pacific Income Fund, Inc., Aberdeen Global Income Fund, Inc., Aberdeen Australia Equity Fund, Inc., Aberdeen Chile Fund, Inc., Aberdeen Israel Fund, Inc., Aberdeen Indonesia Fund, Inc., Aberdeen Latin America Equity Fund, Inc., Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc., Aberdeen Singapore Fund, Inc., The Asia Tigers Fund, Inc., The India Fund, Inc., Aberdeen Greater China Fund, Inc., The Japan Equity Fund, Inc., Aberdeen Funds, Aberdeen Investment Funds, and Aberdeen Global Select Opportunities Fund, Inc. have a common investment manager and/or investment adviser, or an investment adviser that is affiliated with the Investment Manager and Investment Adviser, and may thus be deemed to be part of the same Fund Complex.
- \*\* Mr. Gilbert and Mr. Young are deemed to be an interested person because of their affiliation with the Fund's Investment Manager. Mr. Gilbert and Mr. Young serve as Directors of other funds in the Fund Complex.

The India Fund, Inc.

## Management of the Fund (unaudited) (continued)

### Information Regarding Officers who are not Directors

| Name, Address and Year of Birth  | Position(s) Held<br>With the Fund                                 | Term of Office<br>and Length of<br>Time Served | Principal Occupation(s) During Past Five Years   |
|--|---|--|--|
| <b>Officers</b>  |   |  |  |
| <p><b>Alan Goodson*</b></p> <p>c/o Aberdeen Asset Management Inc.</p> <p>Attn: US Legal</p> <p>1735 Market Street, 32<sup>nd</sup> Floor,</p> <p>Philadelphia, PA 19103</p>                              | President   | Since 2011                                     | <p>Currently, Head of Product US, overseeing both Product Management and Product Development for Aberdeen's registered and unregistered investment companies in the U.S. and Canada. Mr. Goodson is Vice President of Aberdeen Asset Management Inc. and joined Aberdeen in 2000.</p>  |
| <p>Year of Birth: 1974</p> <p><b>Jeffrey Cotton*</b></p> <p>c/o Aberdeen Asset Management Inc.</p> <p>Attn: US Legal</p> <p>1735 Market Street, 32<sup>nd</sup> Floor,</p> <p>Philadelphia, PA 19103</p> | <p>Chief Compliance Officer,</p> <p>Vice President Compliance</p> | Since 2011                                     | <p>Currently, Vice President and Head of Compliance Americas for Aberdeen Asset Management Inc. Mr. Cotton joined Aberdeen in 2010. Prior to joining Aberdeen, Mr. Cotton was a Senior Compliance Officer at Old Mutual Asset Management (2009-2010) supporting its affiliated investment advisers and mutual fund platform. Mr. Cotton was also a VP, Senior Compliance Manager at Bank of America / Columbia Management (2006-2009).</p> |
| <p>Year of Birth: 1977</p> <p><b>Lucia Sitar*</b></p> <p>c/o Aberdeen Asset Management Inc.</p> <p>Attn: US Legal</p>  | <p>Chief Legal Officer,</p> <p>Vice President</p>                 | Since 2012                                     | <p>Currently, Managing U.S. Counsel for AAMI. Ms. Sitar joined AAMI in July 2007. Prior to that, Ms. Sitar was an associate attorney in the Investment Management Group of Stradley Ronon Stevens &amp; Young LLP (2000-2007).</p>   |



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1735 Market Street, 32<sup>nd</sup> Floor,  
Philadelphia, PA 19103

Year of Birth: 1971

**Andrea Melia\***

Treasurer

Since 2011

Currently, Vice President and Head of Fund Administration U.S. for AAMI (Ms. Melia joined Aberdeen in 2009). Prior to joining Aberdeen, Ms. Melia was Director of Fund Administration and accounting oversight for Princeton Administrators LLC, a division of BlackRock Inc. and had worked with Princeton Administrators since 1992.

c/o Aberdeen Asset

Management Inc.

Attn: US Legal

1735 Market Street, 32<sup>nd</sup> Floor,

Philadelphia, PA 19103

Year of Birth: 1969

**Megan Kennedy\***

Secretary,

Since 2011

Currently, Head of Product Management for Aberdeen Asset Management Inc. Ms. Kennedy joined Aberdeen Asset Management Inc. in 2005 as a Senior Fund Administrator. Ms. Kennedy was promoted to Assistant Treasurer Collective Funds/North American Mutual Funds in February 2008 and promoted to Treasurer Collective Funds/North American Mutual Funds in July 2008.

c/o Aberdeen Asset

Vice President

Management Inc.

Attn: US Legal

1735 Market Street, 32<sup>nd</sup> Floor,

Philadelphia, PA 19103

Year of Birth: 1974

**Adrian Lim\***

Vice President

Since 2012

Currently, Senior Investment Manager on the Asian Equities Team. Adrian joined Aberdeen in 2000 as a manager in private equity on the acquisition of Murray Johnstone and transferred to his current position soon after.

c/o Aberdeen Asset

Management Inc.

Attn: US Legal

1735 Market Street, 32<sup>nd</sup> Floor,

Philadelphia, PA 19103

Year of Birth: 1971

**Gary Marshall\***

Vice President

Since 2011

Head of Americas since January 2010, which role includes responsibility for overseeing registered and unregistered investment companies in the US and Canada. Mr. Marshall is the Chief Executive of Aberdeen Asset Management Inc. and joined Aberdeen via the acquisition of Prolific Financial Management in 1997.

c/o Aberdeen Asset

Management Inc.

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Attn: US Legal

1735 Market Street, 32<sup>nd</sup> Floor,

Philadelphia, PA 19103

Year of Birth: 1961

The India Fund, Inc.

## Management of the Fund (unaudited) (concluded)

| Name, Address and Year of Birth   | Position(s) Held<br>With the Fund                       | Term of Office<br>and Length of<br>Time Served | Principal Occupation(s) During Past Five Years  |
|---|---|--|---|
| <p><b>Jennifer Nichols*</b></p> <p>c/o Aberdeen Asset<br/>Management Inc.<br/><br/>Attn: US Legal</p> <p>1735 Market Street, 32<sup>nd</sup> Floor,<br/><br/>Philadelphia, PA 19103</p> <p>Year of Birth: 1978</p>  | Vice President  | Since 2011                                     | Currently, Global Head of Legal for Aberdeen. Director, Vice President for AAMI (since October 2006).   |
| <p><b>Christian Pittard*</b></p> <p>c/o Aberdeen Asset<br/>Management Inc.<br/><br/>Attn: US Legal</p> <p>1735 Market Street, 32<sup>nd</sup> Floor,<br/><br/>Philadelphia, PA 19103</p> <p>Year of Birth: 1978</p> | Vice President  | Since 2011                                     | Currently, Group Head of Product Development for Aberdeen Asset Management PLC and Director of Aberdeen Asset Managers Limited since 2010. Previously, Director and Vice President (2006-2008), and Chief Executive Officer (from October 2005 to September 2006) of Aberdeen Asset Management Inc. |
| <p><b>Sofia Rosala*</b></p> <p>c/o Aberdeen Asset<br/>Management Inc.<br/><br/>Attn: US Legal</p> <p>1735 Market Street, 32<sup>nd</sup> Floor,<br/><br/>Philadelphia, PA 19103</p> <p>Year of Birth: 1973</p>      | Vice President<br>Deputy Chief<br>Compliance<br>Officer | Since 2013                                     | Currently U.S. Counsel / Deputy Fund CCO. She joined Aberdeen in 2012. Prior to joining Aberdeen, she worked as an Associate for Morgan, Lewis and Bockius and as Corporate Counsel and Vice President at SEI Investments Company.  |

## Edgar Filing: INDIA FUND INC - Form N-CSR

Year of Birth: 1974

**Kasey Deja\***

Assistant  
Secretary

Since 2012

Currently, Senior Product Manager within Product Management for AAMI. Ms. Deja joined Aberdeen in 2005 as an Analyst in Investment Operations and transferred to the U.S. Transitions Team in 2007. In 2009, she was promoted to Manager of the U.S. Transitions Team and transferred to her current position in 2011.

c/o Aberdeen Asset

Management Inc.

1735 Market Street, 32<sup>nd</sup> Floor,

Philadelphia, PA 19103

Year of Birth: 1979

**Sharon Ferrari\***

Assistant  
Treasurer

Since 2013

Currently, Senior Fund Administration Manager for AAMI. Ms. Ferrari joined AAMI as a Senior Fund Administrator in 2008. Prior to joining AAMI, Ms. Ferrari was an Accounting Analyst at Delaware Investments.

c/o Aberdeen Asset

Management Inc.

Attn: US Legal

1735 Market Street, 32<sup>nd</sup> Floor,

Philadelphia, PA 19103

Year of Birth: 1977

\* As of December 2013, Messrs. Goodson, Cotton, Lim, Marshall, and Pittard and Meses. Sitar, Melia, Kennedy, Nichols, Deja, Ferrari, and Rosala hold officer position(s) in one or more of the following: Aberdeen Asia-Pacific Income Fund, Inc., Aberdeen Global Income Fund, Inc., Aberdeen Australia Equity Fund, Inc., Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc., Aberdeen Israel Fund, Inc., Aberdeen Indonesia Fund, Inc., Aberdeen Latin America Equity Fund, Inc., Aberdeen Chile Fund, Inc., Aberdeen Singapore Fund Inc., The India Fund Inc., The Asia Tigers Fund Inc., The Japan Equity Fund, Inc., Aberdeen Greater China Fund, Inc., Aberdeen Funds, Aberdeen Investment Funds, and Aberdeen Global Select Opportunities Fund, Inc. each of which may also be deemed to be a part of the same Fund Complex.

The India Fund, Inc.

## Corporate Information

### Directors

Lawrence K. Becker

Leslie H. Gelb

Martin Gilbert

J. Marc Hardy

Stephane R. F. Henry

Luis F. Rubio

Jeswald W. Salacuse, *Chairman*

Hugh Young

### Officers

Alan Goodson, *President*

Jeffrey Cotton, *Vice President Compliance and Chief Compliance Officer*

Lucia Sitar, *Vice President and Chief Legal Officer*

Andrea Melia, *Treasurer*

Megan Kennedy, *Vice President and Secretary*

Adrian Lim, *Vice President*

Gary Marshall, *Vice President*

Jennifer Nichols, *Vice President*

Christian Pittard, *Vice President*

Sofia Rosala, *Vice President Deputy Chief Compliance Officer*

Kasey Deja, *Assistant Secretary*

Sharon Ferrari, *Assistant Treasurer*

### Investment Manager

## Edgar Filing: INDIA FUND INC - Form N-CSR

Aberdeen Asset Management Asia Limited

21 Church Street

#01-01 Capital Square Two

Singapore 049480

### **Administrator**

Aberdeen Asset Management, Inc.

1735 Market Street, 32nd Floor

Philadelphia, PA 19103

### **Mauritius Administrator**

Cim Global Business Fund Services, Ltd.

33, Edith Cavell Street,

Port Louis, Mauritius

### **Custodians**

State Street Bank and Trust Company

One Heritage Drive

North Quincy, MA 02171

Deutsche Bank (Mauritius)

Limited

Fourth Floor

Barkly Wharf East

Le Caudan Waterfront

Port Louis, Mauritius

### **Transfer Agent**

Computershare Trust Company, N.A.

P.O. Box 20170

College Station, TX 77842-3170

### **Independent Registered Public Accounting Firm**

PricewaterhouseCoopers LLP

## Edgar Filing: INDIA FUND INC - Form N-CSR

2001 Market Street, 22nd Floor

Philadelphia, PA 19103

### **Fund Legal Counsel**

Simpson Thacher & Bartlett LLP

425 Lexington Avenue

New York, NY 10017

### **Independent Director Legal Counsel**

Stradley, Ronon, Stevens & Young LLP

2005 Market Street, 32nd Floor

Philadelphia, PA 19103

### **Investor Relations**

Aberdeen Asset Management Inc.

1735 Market Street, 32nd Floor

Philadelphia, PA 19103

1-866-839-5205

InvestorRelations@aberdeen-asset.com

### **Aberdeen Asset Management Asia Limited**

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may purchase, from time to time, shares of its common stock in the open market.

Shares of The India Fund, Inc. are traded on the NYSE under the symbol IFN . Information about the Fund's net asset value and market price is available at [www.aberdeenifn.com](http://www.aberdeenifn.com).

This report, including the financial information herein, is transmitted to the shareholders of The India Fund, Inc. for their general information only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person. Past performance is no guarantee of future returns.





**Item 2 - Code of Ethics.**

As of December 31, 2013, the Registrant had adopted a Code of Ethics that applies to the Registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions (the Code of Ethics). During the period covered by this report, there were no material changes to the Code of Ethics. During the period covered by this report, there were no waivers to the provisions of the Code of Ethics. A copy of the Code of Ethics has been filed as an exhibit to this Form N-CSR.

**Item 3 - Audit Committee Financial Expert.**

The registrant's Board of Directors has determined that Lawrence K. Becker, a member of the Board of Directors Audit Committee, possesses the attributes, and has acquired such attributes through means, identified in instruction 2 of Item 3 to Form N-CSR to qualify as an audit committee financial expert, and has designated Mr. Becker as the Audit Committee's financial expert. Mr. Becker is an independent Director pursuant to paragraph (a)(2) of Item 3 to Form N-CSR.

**Item 4 - Principal Accountant Fees and Services.**

(a) (d) Below is a table reflecting the fee information requested in Items 4(a) through (d):

| Fiscal            | (a)        | (b)                  | (c)                       | (d)            |
|-------------------|------------|----------------------|---------------------------|----------------|
| Year Ended        | Audit Fees | Audit-Related Fees   | Tax Fees                  | All Other Fees |
| December 31, 2013 | \$ 99,466  | 5,000 <sup>(1)</sup> | 55,695 <sup>(2)</sup>     | \$ 0           |
| December 31, 2012 | \$ 99,166  | \$ 0                 | \$ 113,895 <sup>(3)</sup> | \$ 0           |

- (1) Services include procedures over the conversion of fund accounting books/records and semi-annual review procedures in connection with the Registrant's semi-annual financial statements
- (2) As of the date of filing of this report, the Registrant's 2013 tax fees have not been finalized and are estimates prepared by the Registrant's accountant. The Registrant's final 2013 tax fees may differ from the amount listed.
- (3) The tax fees are for the completion of the Registrant's U.S. excise federal and state tax returns, Mauritius tax return, and India tax return.

(e)(1) The Registrant's Audit Committee (the Committee) has adopted a charter that provides that the Committee shall annually select, retain or terminate the Fund's independent auditor and, in connection therewith, to evaluate the terms of the engagement (including compensation of the independent auditor) and the qualifications and independence of the independent auditor, including whether the independent auditor provides any consulting, auditing or tax services to the Registrant's Investment Manager or any sub-adviser, and to receive the independent auditor's specific representations as to their independence, delineating all relationships between the independent auditor and the Registrant, consistent with the PCAOB Rule 3526 or any other applicable auditing standard. The Committee Charter also provides that the Committee shall review in advance, and consider approval of, any and all proposals by Management or the Registrant's Investment Manager that the Registrant, the investment manager or their affiliated persons, employ the independent auditor to render permissible non-audit services to the Registrant and to consider whether such services are consistent with the independent auditor's independence.

- (e)(2) None of the services described in each of paragraphs (b) through (d) of this Item involved a waiver of the pre-approval requirement by the Audit Committee pursuant to Rule 2-01 (c)(7)(i)(C) of Regulation S-X.
- (f) Not Applicable.
- (g) The aggregate non-audit fees billed by the Registrant's accountant for services rendered to the Registrant, and rendered to the Registrant's Investment Manager (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the Investment Manager that provides ongoing services to the Registrant for each of the last two fiscal years of the Registrant was \$900,985 for 2013 and \$2,368,467 for 2012.
- (h) The registrant's Audit Committee of the Board of Directors has considered whether the provision of non-audit services that were rendered to the Registrant's Investment Manager (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the Investment Manager that provides ongoing services to the Registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence and has concluded that it is.

**Item 5 - Audit Committee of Listed Registrants.**

- (a) The Registrant has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(58)(A)). For the fiscal year ended December 31, 2013, the Audit Committee members were:

Lawrence K. Becker

Leslie H. Gelb

J. Marc Hardy

Stephane R.F. Henry

Luis F. Rubio

Jeswald W. Salacuse

- (b) Not applicable

**Item 6 - Investments.**

- (a) Included as part of the Report to Stockholders filed under Item 1 of this Form N-CSR.

(b) Not applicable.

**Item 7 - Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

Pursuant to the Registrant's Proxy Voting Policy and Procedures, the Registrant has delegated responsibility for its proxy voting to its Investment Manager, provided that the Registrant's Board of Directors has the opportunity to periodically review the Investment Manager's proxy voting policies and material amendments thereto.

The proxy voting policies of the Registrant are included herewith as Exhibit (c) and policies of the Investment Manager are included as Exhibit (d).

**Item 8 - Portfolio Managers of Closed-End Management Investment Companies.**

(a)(1) The information in the table below is as of March 6, 2014.

| <b>Individual &amp; Position</b>  | <b>Services Rendered</b>  | <b>Past Business Experience</b>   |
|---|---|---|
| Hugh Young<br>BA (Hons)<br><br>(Commenced 1985)<br><br>Managing Director                  | Responsible for equities globally from the Singapore office.              | Hugh Young set up the Singapore office in 1992 as the Group's Asia-Pacific headquarters. He is also head of equities globally and a member of the executive committee responsible for day-to-day running of our parent company, Aberdeen. Hugh has over 25 years' experience in investment management and has managed the Group's Asian assets since 1985, including award-winning mutual funds and closed-end funds. Before joining Aberdeen, his career included posts at Fidelity International and MGM Assurance. |
| Adrian Lim<br><br>BAcc, CFA<br><br>Senior Investment Manager<br><br>Equities - Asia       | Responsible for Asian equities portfolio management.                      | Joined Aberdeen from Murray Johnstone in December 2000. He was previously an associate director at Arthur Andersen advising clients on mergers & acquisitions in South East Asia. He moved from private equity to the Asian Equities team in July 2003.   |
| Kristy Fong<br><br>Investment Manager<br><br>Asia Equities                                | Responsible for Asian equities portfolio management.                      | Joined Aberdeen in 2004 and is currently an investment manager on the Asian Equities Team in Singapore. Before joining Aberdeen, Kristy worked as an Analyst at UOB KayHian Pte Ltd.  |
| Chou Chong<br><br>MSc, CFA<br><br>Investment Director<br><br>Equities - Asia              | Responsible for company research and oversight of portfolio construction. | Joined Aberdeen in 1994 as a graduate trainee. After becoming a director, from 2001, he spent time in Sydney, Australia restructuring portfolios and turning around performance. In 2003, he transferred to London to lead the Pan-European equity desk and in June 2008 returned to Singapore and joined the Asian Equities Team.  |
| Flavia Cheong<br><br>BA, MA (Hons), CFA<br><br>Investment Director<br><br>Equities - Asia | Responsible for company research and oversight of portfolio construction. | Joined Aberdeen in 1996. Before joining Aberdeen, she was an economist with the Investment Company of the People's Republic of China, and earlier with the Development Bank of Singapore.   |

(a)(2) The information in the table below is as of December 31, 2013.

| Name of Portfolio Manager | Type of Accounts                | Total Number of Accounts Managed | Total Assets (\$M) | Number of Accounts Managed for Which Advisory Fee is Based on Performance | Total Assets for Which Advisory Fee is Based on Performance (\$M) |
|---------------------------|---------------------------------|----------------------------------|--------------------|---|---|
| Hugh Young                | Registered Investment Companies | 19                               | \$ 14,439.55       | 0   | \$ 0  |
|                           | Pooled Investment Vehicles      | 80                               | \$ 62,896.56       | 2   | \$ 192.61   |
|                           | Other Accounts                  | 132                              | \$ 46,010.98       | 15  | \$ 4,158.21   |
| Adrian Lim                | Registered Investment Companies | 19                               | \$ 14,439.55       | 0   | \$ 0  |
|                           | Pooled Investment Vehicles      | 80                               | \$ 62,896.56       | 2   | \$ 192.61   |
|                           | Other Accounts                  | 132                              | \$ 46,010.98       | 15  | \$ 4,158.21   |
| Kristy Fong               | Registered Investment Companies | 19                               | \$ 14,439.55       | 0   | \$ 0  |
|                           | Pooled Investment Vehicles      | 80                               | \$ 62,896.56       | 2   | \$ 192.61   |
|                           | Other Accounts                  | 132                              | \$ 46,010.98       | 15  | \$ 4,158.21   |
| Chou Chong                | Registered Investment Companies | 19                               | \$ 14,439.55       | 0   | \$ 0  |
|                           | Pooled Investment Vehicles      | 80                               | \$ 62,896.56       | 2   | \$ 192.61   |
|                           | Other Accounts                  | 132                              | \$ 46,010.98       | 15  | \$ 4,158.21   |
| Flavia Cheong             | Registered Investment Companies | 19                               | \$ 14,439.55       | 0   | \$ 0  |
|                           | Pooled Investment Vehicles      | 80                               | \$ 62,896.56       | 2   | \$ 192.61   |
|                           | Other Accounts                  | 132                              | \$ 46,010.98       | 15  | \$ 4,158.21   |

Total Assets are as of December 31, 2013 and have been translated into U.S. Dollars at a rate of £1.00 = 1.66.

In accordance with legal requirements in the various jurisdictions in which they operate, and their own Conflicts of Interest policies, all subsidiaries of Aberdeen Asset Management PLC, (together Aberdeen), have in place arrangements to identify and manage Conflicts of Interest that may arise between them and their clients or between their different clients. Where Aberdeen does not consider that these arrangements are sufficient to manage a particular conflict, it will inform the relevant client(s) of the nature of the conflict so that the client(s) may decide how to proceed.

The portfolio managers' management of other accounts, including (1) mutual funds; (2) other pooled investment vehicles; and (3) other accounts that may pay advisory fees that are based on account performance (performance-based fees), may give rise to potential conflicts of interest in connection with their management

of a Fund's investments, on the one hand, and the investments of the other accounts, on the other. The other accounts may have the same investment objective as a Fund. Therefore, a potential conflict of interest may arise as a result of the identical investment objectives, whereby the portfolio manager could favor one account over another. However, Aberdeen believes that these risks are mitigated by the fact that: (i) accounts with like investment strategies managed by a particular portfolio manager are generally managed in a similar fashion, subject to exceptions to account for particular investment restrictions or policies applicable only to certain accounts, differences in cash flows and account sizes, and similar factors; and (ii) portfolio manager personal trading is monitored to avoid potential conflicts. In addition, Aberdeen has adopted trade allocation procedures that require equitable allocation of trade orders for a particular security among participating accounts.

In some cases, another account managed by the same portfolio manager may compensate Aberdeen based on the performance of the portfolio held by that account. The existence of such performance-based fees may create additional conflicts of interest for the portfolio manager in the allocation of management time, resources and investment opportunities.

Another potential conflict could include instances in which securities considered as investments for a Fund also may be appropriate for other investment accounts managed by Aberdeen or its affiliates. Whenever decisions are made to buy or sell securities by the Fund and one or more of the other accounts simultaneously, Aberdeen may aggregate the purchases and sales of the securities and will allocate the securities transactions in a manner that it believes to be equitable under the circumstances. As a result of the allocations, there may be instances where the Fund will not participate in a transaction that is allocated among other accounts. While these aggregation and allocation policies could have a detrimental effect on the price or amount of the securities available to a Fund from time to time, it is the opinion of Aberdeen that the benefits from the Aberdeen organization outweigh any disadvantage that may arise from exposure to simultaneous transactions. Aberdeen has adopted policies that are designed to eliminate or minimize conflicts of interest, although there is no guarantee that procedures adopted under such policies will detect each and every situation in which a conflict arises.

(a)(3)

Aberdeen Asset Management PLC's remuneration policies are designed to support its business strategy, as a leading international asset manager. The objective is to attract, retain and reward talented individuals for the delivery of sustained, superior returns for its clients and shareholders. Aberdeen operates in a highly competitive international employment market, and aims to maintain its strong track record of success in developing and retaining talent.

Aberdeen's policy is to recognize corporate and individual achievements each year through an appropriate annual bonus scheme. The aggregate value of awards in any year is dependent on the group's overall performance and profitability. Consideration is also given to the levels of bonuses paid in the market. Individual awards which are payable to all members of staff are determined by a rigorous assessment of achievement against defined objectives.

A long-term incentive plan for key staff and senior employees comprises of a mixture of cash and deferred shares in Aberdeen PLC or select Aberdeen funds (where applicable). Overall compensation packages are designed to be competitive relative to the investment management industry.

#### Base Salary

Aberdeen's policy is to pay a fair salary commensurate with the individual's role, responsibilities and experience, and having regard to the market rates being offered for similar roles in the asset management sector and other comparable companies. Any increase is to reflect inflation and is applied in a manner consistent with other Aberdeen employees; any other increases must be justified by reference to promotion or changes in responsibilities.

Annual Bonus

Aberdeen's policy is to recognize corporate and individual achievements each year through an appropriate annual bonus scheme. The Remuneration Committee of Aberdeen determines the key performance indicators that will be applied in considering the overall size of the bonus pool. In line with practice amongst other asset management companies, individual bonuses are not subject to an absolute cap. However, the aggregate size of the bonus pool is dependent on the group's overall performance and profitability. Consideration is also given to the levels of bonuses paid in the market. Individual awards are determined by a rigorous assessment of achievement against defined objectives, and are reviewed and approved by the Remuneration Committee.

Aberdeen has a deferral policy which is intended to assist in the retention of talent and to create additional alignment of executives' interests with Aberdeen's sustained performance and, in respect of the deferral into funds, managed by Aberdeen, to align the interest of asset managers with our clients.

Staff performance is reviewed formally at least once a year. The review process evaluates the various aspects that the individual has contributed to the Aberdeen, and specifically, in the case of portfolio managers, to the relevant investment team. Discretionary bonuses are based on client service, asset growth and the performance of the respective portfolio manager. Overall participation in team meetings, generation of original research ideas and contribution to presenting the team externally are also evaluated.

In the calculation of a portfolio management team's bonus, the Aberdeen takes into consideration investment matters (which include the performance of funds, adherence to the company investment process, and quality of company meetings) as well as more subjective issues such as team participation and effectiveness at client presentations. To the extent performance is factored in, such performance is not judged against any specific benchmark and is evaluated over the period of a year - January to December. The pre- or after-tax performance of an individual account is not considered in the determination of a portfolio manager's discretionary bonus; rather the review process evaluates the overall performance of the team for all of the accounts they manage.

Portfolio manager performance on investment matters is judged over all of the accounts the portfolio manager contributes to and is documented in the appraisal process. A combination of the team's and individual's performance is considered and evaluated.

Although performance is not a substantial portion of a portfolio manager's compensation, the Aberdeen also recognizes that fund performance can often be driven by factors outside one's control, such as (irrational) markets, and as such pays attention to the effort by portfolio managers to ensure integrity of our core process by sticking to disciplines and processes set, regardless of momentum and hot themes. Short-terming is thus discouraged and trading-oriented managers will thus find it difficult to thrive in the Aberdeen environment. Additionally, if any of the aforementioned undue risks were to be taken by a portfolio manager, such trend would be identified via Aberdeen's dynamic compliance monitoring system.

(a)(4)

| Individual | Dollar Range of Equity Securities in the Registrant Beneficially Owned by the Portfolio Manager as of December 31, 2013 |
|------------|---|
| Hugh Young | \$10,001-\$50,000   |
| Adrian Lim | None  |

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|                  |      |
|------------------|------|
| Kristy Fong      | None |
| Chou Chong       | None |
| Flavia<br>Cheong | None |



(b) Not applicable.

**Item 9 - Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.****REGISTRANT PURCHASES OF EQUITY SECURITIES**

| <b>Period</b>                                | <b>(a) Total Number of Shares (or Units) Purchased</b> | <b>(b) Average Price Paid per Share (or Unit)</b> | <b>(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs</b> | <b>(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs</b> |
|--|--|---|--|--|
| January 1, 2013 through January 31, 2013     | 0  | 0   | 0  | None   |
| February 1, 2013 through February 29, 2013   | 0  | 0   | 0  | None   |
| March 1, 2013 through March 31, 2013         | 2,002,407 <sup>(1)</sup>                               | \$ 23.4024 <sup>(1)</sup>                         | 2,002,407 <sup>(1)</sup>   | None   |
| April 1, 2013 through April 30, 2013         | 0  | 0   | 0  | None   |
| May 1, 2013 through May 31, 2013             | 0  | 0   | 0  | None   |
| June 1, 2013 through June 30, 2013           | 80,000 <sup>(2)</sup>                                  | \$ 18.9750 <sup>(2)</sup>                         | 2,082,407 <sup>(2)</sup>   | 3,724,573 <sup>(2)</sup>   |
| July 1, 2013 through July 31, 2013           | 207,056 <sup>(2)</sup>                                 | \$ 20.013 <sup>(2)</sup>                          | 2,289,463 <sup>(2)</sup>   | 3,517,517 <sup>(2)</sup>   |
| August 1, 2013 through August 31, 2013       | 148,104 <sup>(2)</sup>                                 | \$ 19.559 <sup>(2)</sup>                          | 2,437,567 <sup>(2)</sup>   | 3,369,413 <sup>(2)</sup>   |
| September 1, 2013 through September 30, 2013 | 1,880,529 <sup>(3)</sup>                               | \$ 22.2950 <sup>(3)</sup>                         | 4,318,096 <sup>(3)</sup>   | None   |
| October 1, 2013 through October 31, 2013     | 563,141 <sup>(2)</sup>                                 | \$ 20.694 <sup>(2)</sup>                          | 4,881,237 <sup>(2)</sup>   | 2,806,272 <sup>(2)</sup>   |
| November 1, 2013 through November 30, 2013   | 231,785 <sup>(2)</sup>                                 | \$ 20.526 <sup>(2)</sup>                          | 5,113,022 <sup>(2)</sup>   | 2,574,487 <sup>(2)</sup>   |
| December 1, 2013 through December 31, 2013   | 0  | 0   | 5,113,022  | 2,574,487 <sup>(2)</sup>   |
| <b>Total</b>                                 | <b>5,113,022</b>                                       | <b>\$ 22.2486</b>                                 | <b>5,113,022</b>   |  |

(1) These shares were repurchased in connection with the Fund's regular, semi-annual repurchase offer announced on February 22, 2013 that expired on March 15, 2013. In connection with this repurchase offer, the Fund offered to repurchase up to 2,002,407 shares of its common stock, an amount equal to 5% of its outstanding shares of common stock, for cash at a price approximately equal to the Fund's net asset value as of March 22, 2013.

- (2) The open market repurchase policy was authorized on October 30, 2012. The program authorizes management to make open market purchases from time to time in an aggregate amount up to 10% of the Fund's outstanding shares, as of a date determined by the Board. Such purchases may be made when the Fund's shares are trading at certain discounts to net asset value. The plan does not have an expiration date.
- (3) These shares were repurchased in connection with the Fund's regular, semi-annual repurchase offer announced on August 23, 2013 that expired on September 13, 2013. In connection with this repurchase offer, the Fund offered to repurchase up to 1,880,529 shares of its common stock, an amount equal to 5% of its outstanding shares of common stock, for cash at a price approximately equal to the Fund's net asset value as of September 20, 2013.

**Item 10 - Submission of Matters to a Vote of Security Holders.**

During the period ended December 31, 2013, there were no material changes to the procedures by which shareholders may recommend nominees to the Registrant's Board of Directors.

**Item 11. Controls and Procedures.**

(a) It is the conclusion of the Registrant's Principal Executive Officer and Principal Financial Officer that the effectiveness of the Registrant's current disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "Act") (17 CFR 270.30a-3(c))) (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the Registrant has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the Registrant has been accumulated and communicated to the Registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

(b) There have been no changes in the Registrant's internal control over financial reporting that occurred during the second fiscal half-year of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

**Item 12. Exhibits.**

(a)(1) Code of ethics, or any amendment thereto, that is the subject of disclosure required by Item 2(f) is attached hereto.

(a)(2) Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

(a)(3) Not applicable.

(b) Certifications pursuant to Rule 30a-2(b) under the Investment Company Act of 1940 and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.

(c) Registrant's Proxy Voting Policies

(d) Investment Manager's Proxy Voting Policies

