

INDIA FUND INC
Form N-CSRS
August 28, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES**

Investment Company Act file number 811-08266

The India Fund, Inc.

(Exact name of registrant as specified in charter)

345 Park Avenue

New York, NY 10154

(Address of principal executive offices) (Zip code)

Simpson Thacher & Bartlett LLP

425 Lexington Avenue

New York, NY 10017

(Name and address of agent for service)

Registrant's telephone number, including area code: 212-583-5000

Date of fiscal year end: December 31, 2009

Date of reporting period: June 30, 2009

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles. A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Reports to Stockholders.

The Report to Shareholders is attached herewith.

The India Fund, Inc.

August 25, 2009

Dear Fund Shareholder,

We are pleased to provide you with the unaudited financial statements of The India Fund, Inc. (the Fund) for the six months ended June 30, 2009. The Fund's net asset value (NAV) per share closed at \$26.07 on June 30, 2009, representing a 50% increase from the Fund's NAV per share on December 31, 2008, which was \$17.38. The Fund modestly underperformed comparative indices, such as the S&P/IFC Investable India Index* and BSE 500 Index*, which rose 55% and 56% respectively. The BSE Sensex* also surged by a similar 53%, making India the top performing equity market not just in Asia, but among all emerging markets.

Persistent concerns following last year's near-meltdown in global financial markets helped 2009 open on a downbeat note, a sentiment reinforced by the poor macro data released in the first several weeks of the year. Fortunately, by late February, positive signs began emerging that the global economy's sharp contraction was moderating, accompanied by a bottoming out in commodity prices and a gradual thawing of credit markets. Aiding this recovery in no small part was an unprecedented fiscal and monetary stimulus effort launched by governments and central banks around the world (with the global fiscal stimulus alone estimated at greater than \$2.1 trillion, or over 4% of global gross domestic product (GDP)). We believe most investors were initially skeptical, as evidenced by low trading volumes. However, as the rally in emerging markets worldwide continued to gather steam, we believe investors eventually had little choice but to put money to work.

The catalyst for India's outperformance was the May parliamentary election, a watershed event for Indian politics. The surprisingly strong performance by the India National Congress party (INC) resulted in its United Progressive Alliance coalition winning 262 out of 543 seats. We believe this is a clear mandate, basically ensuring a stable government that can pursue ambitious, progressive economic reforms. We believe that investors, sensing that Indian politics might at last have made a break from its disappointing past of smaller coalition partners blocking crucial reform decisions, sparked a buying frenzy, driving the market up 17% in one trading session. The bullish view is that the new government should prove far more successful in deregulation, privatization (especially of sensitive sectors), and increasing investment in the rural sector, hence putting the economy on a stronger long-term growth trajectory. Sectors that are expected to be positively impacted range from financial services to retail and education. More broadly speaking, labor reforms, disinvestment of state-owned companies and implementation of a goods and services tax (a key component of the government's tax reform agenda) are all expected to be accelerated.

Despite its relatively high budget deficit (6.8% of GDP), the Indian government thus far in 2009 has announced a series of measures to support the domestic economy. The government's stimulus package includes \$4 billion of infrastructure spending, reduction of duties, relaxing external borrowing norms, and accelerated depreciation measures. The Central Bank (Reserve Bank of India) freed up \$4 billion by cutting the cash reserve requirement rate by 400 basis points (bps) and reducing the repurchase and

THE INDIA FUND, INC.

reverse repurchase rates to boost liquidity. We believe all of this helped curb further deterioration in the domestic economy. As it was, India's GDP growth slowed down considerably to 6.7% in the year ended March 2009 compared to a Compound Annual Growth Rate of 8.9% in the previous four years. While the Indian government's previous fiscal stimulus packages focused on sectors such as autos and consumers, the recent budget laid a much stronger emphasis on infrastructure development and social programs in an effort to broaden the impact of the stimulus. Outlays for the rural employment guarantee scheme were increased by 140% to \$8.0 billion, urban infrastructure by 87% to \$2.8 billion, and rural infrastructure by 45% to \$9.6 billion. Other focused areas included irrigation, healthcare, power generation and national highways. We believe these spending measures will aggravate the already high fiscal deficit, as the government intends to increase borrowings significantly in order to meet the new funding requirements. Although not explicitly stated in the budget's text, we expect the new, INC-led coalition government to resurrect privatization efforts, both because of the new, more conducive political environment, and because of the hard reality that the government needs the money.

Recent history has shown that while India's economy is one of the most insular in Asia with exports accounting for just 18% of GDP it is by no means detached or de-coupled from the global economy especially when the global economy is experiencing unprecedented upheaval. Although India may not be export-dependent to the same degree as the rest of Asia, it is very reliant on capital flows, the direction of commodity prices, and global investor sentiment. During 2008, India saw a \$12.0 billion portfolio outflow, while the current rally, in-line with the resurgence of foreign interest in emerging markets, has seen a \$5.1 billion inflow. In short, we believe foreign portfolio inflows continue to be the main driver of market sentiment for India, which currently is positive (despite, as mentioned, the prospect of record-high fiscal deficits). The stabilization in crude oil prices at current levels of \$65-70 per barrel has also been a positive development, with the meaningful decline from its peak in the second half of 2008 helping India to post a current account surplus of \$4.7 billion in the quarter ending March 2009.

In light of India's recent outperformance, we expect the market to be more sentiment-driven than usual in the short-term. The equity market's first half of 2009 outperformance was well ahead of actual improvement in earnings, though this can be said for all Asian markets, and perhaps all markets globally. For the second quarter ended June 2009, Corporate India (ex-financials) reported a 3% decline in revenues and an 8% dip in net income. However, encouragingly, the aggregate EBITDA (earnings before the deduction of interest, tax, and amortization expenses) margin surged nearly 300 bps quarter-on-quarter and 27 bps year-on-year, to 27.2%. India now trades on 13.8x 2010 earnings compared to 13.3x for the overall region, with both having similar earnings per share growth forecasts of 15-16% year-on-year. Notwithstanding the similar near-term growth/valuation profile, we believe India's longer-term internal growth-drivers are in fact superior, given its better demographics, burgeoning rural economy, and relatively higher returns on capital compared to the rest of the region. Overall, we believe Indian equities are well-placed for long-term steady performance.

THE INDIA FUND, INC.

On behalf of the Board of Directors, we thank you for your participation and continued support of the Fund. If you have any questions, please do not hesitate to visit our website at www.blackstone.com or call our toll-free number, 1-866-800-8933.

Sincerely,

Prakash Melwani
Director and President

* Please note that the S&P/IFC Investable India Index, BSE-500 and BSE Sensex Index are unmanaged indices. Investors cannot directly invest in either index. The indices do not reflect transaction costs or manager fees.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. There is no guarantee that the Fund's or any other investment technique will be effective under all market conditions.

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THE INDIA FUND, INC.

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 from time to time (Offers). The Board of Directors may place such conditions and limitations on 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.

(For further details, see Note F to the Financial Statements.)

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THE INDIA FUND, INC.

June 30, 2009
(Unaudited)

Schedule of Investments

INDIA (99.79% of holdings)

COMMON STOCKS (99.85% of holdings)

NUMBER OF SHARES	SECURITY	PERCENT OF HOLDINGS	COST	VALUE
	India	99.64%		
	Apparel Manufacturers	0.16%		
1,570,212	Provogue (India), Ltd.		\$ 3,198,277	\$ 1,606,103
			3,198,277	1,606,103
	Beverages Alcoholic	0.18%		
95,380	United Spirits, Ltd.		1,409,894	1,738,263
			1,409,894	1,738,263
	Beverages-Non Alcoholic	0.22%		
142,555	Tata Tea, Ltd.		1,903,363	2,148,963
			1,903,363	2,148,963
	Building & Construction	3.67%		
424,342	Gammon India, Ltd.		722,165	1,635,628
1,487,351	Hindustan Construction Co., Ltd.		2,991,532	3,216,565
771,907	IVRCL Infrastructures and Projects, Ltd.		2,751,197	5,524,440
2,610,769	Jaiprakash Associates, Ltd.		4,441,534	11,174,996
645,860	KEC International, Ltd.		5,057,020	5,446,769
435,339	Madhucon Projects, Ltd.		2,490,015	1,591,684
1,677,609	Nagarjuna Construction Co., Ltd.		1,957,527	4,720,628
94,969	Patel Engineering, Ltd.		363,025	824,895
234,595	Titagarh Wagons, Ltd.		3,985,505	2,087,874
			24,759,520	36,223,479
	Cement	1.21%		
2,146,428	Ambuja Cements, Ltd.		2,114,924	3,927,240
64,909	Grasim Industries, Ltd.		2,166,444	3,130,279
486,089	India Cements, Ltd.		1,706,641	1,327,727
808,040	Sagar Cements, Ltd.		3,467,591	3,592,788

			9,455,600	11,978,034
	Chemicals	0.95%		
1,602,225	Chambal Fertilizers and Chemicals, Ltd.		1,537,154	2,252,580
302,837	Tata Chemicals, Ltd.		1,034,807	1,377,164
1,937,084	United Phosphorus, Ltd.		6,065,073	5,768,188
			8,637,034	9,397,932

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See accompanying notes to financial statements.

THE INDIA FUND, INC.**June 30, 2009
(Unaudited)**

Schedule of Investments (continued)

COMMON STOCKS (continued)

NUMBER OF SHARES	SECURITY	PERCENT OF HOLDINGS	COST	VALUE
	India (continued)			
	Coal	0.13%		
1,361,124	Gujarat NRE Coke, Ltd.		\$ 601,616	\$ 1,285,688
			601,616	1,285,688
	Computer Software & Programming	11.13%		
632,750	Everonn Systems India, Ltd.+		6,844,134	5,416,778
2,235,266	Infosys Technologies, Ltd.		31,609,948	82,910,848
2,030,873	KPIT Cummins Infosystems, Ltd.		1,787,620	2,106,970
118,033	Mphasis, Ltd.		513,547	949,956
244,735	Patni Computer Systems, Ltd.		954,331	1,322,912
591,000	Satyam Computer Services, Ltd.		1,002,612	874,687
41,597	Satyam Computer Services, Ltd. ADR		139,529	129,367
931,573	Tanla Solutions, Ltd.		3,289,062	1,313,595
816,455	Tata Consultancy Services, Ltd.		5,130,658	6,641,739
1,034,232	Wipro, Ltd.		5,800,528	8,153,172
			57,071,969	109,820,024
	Consumer Non-Durables	1.61%		
3,984,047	ITC, Ltd.		9,469,097	15,838,884
			9,469,097	15,838,884
	Consumer Products	0.70%		
3,446,837	Marico, Ltd.		4,939,014	5,248,863
66,027	Titan Industries, Ltd.		1,161,330	1,617,975
			6,100,344	6,866,838
	Consumer Staples	2.29%		
244,374	Colgate-Palmolive (India), Ltd.		1,851,299	3,090,830
157,718	Dabur India, Ltd.		273,794	414,995

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3,413,509	Hindustan Unilever, Ltd.		16,112,357	19,032,424
			18,237,450	22,538,249
	Distribution & Wholesale	0.53%		
302,957	Adani Enterprises, Ltd.		4,928,109	5,179,455
			4,928,109	5,179,455

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See accompanying notes to financial statements.

THE INDIA FUND, INC.

June 30, 2009
(Unaudited)

Schedule of Investments (continued)

COMMON STOCKS (continued)

NUMBER OF SHARES	SECURITY	PERCENT OF HOLDINGS	COST	VALUE
India (continued)				
Diversified Financial Services		2.81%		
688,590	Indiabulls Financial Services, Ltd.		\$ 1,659,035	\$ 2,879,127
1,986,531	Infrastructure Development Finance Co., Ltd.		2,312,304	5,629,299
2,859,731	Power Finance Corp.		8,951,667	11,625,772
212,989	Reliance Capital, Ltd.		2,711,459	4,003,020
2,081,584	SREI Infrastructure Finance, Ltd.		4,617,905	3,565,264
			20,252,370	27,702,482
Diversified Operations		0.52%		
184,834	Century Textiles and Industries, Ltd.		879,610	1,519,802
798,398	Sintex Industries, Ltd.		2,991,381	3,643,248
			3,870,991	5,163,050
E-Services & Consulting		0.32%		
674,771	Core Projects & Technologies, Ltd.		1,598,735	1,826,903
649,836	NIIT Technologies, Ltd.		914,629	1,359,901
			2,513,364	3,186,804
Electric Integrated		0.72%		
581,830	CESC, Ltd.		3,580,123	3,352,157
1,925,757	PTC India, Ltd.		2,966,886	3,720,464
			6,547,009	7,072,621
Electric Transmission		0.14%		
604,904	Power Grid Corp. of India, Ltd.		1,019,764	1,380,780
			1,019,764	1,380,780
Electronics & Electrical Equipment		9.63%		

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28,491	ABB, Ltd.	296,951	462,172
127,347	Bharat Electronics, Ltd.	2,551,070	3,496,360
612,941	Bharat Heavy Electricals, Ltd.	5,904,979	28,204,498
4,090,583	Exide Industries, Ltd.	6,051,002	5,917,491
2,901,824	Jyoti Structures, Ltd.	3,991,456	8,247,226
765,585	Lanco Infratech, Ltd.+	2,593,355	5,720,512
651,326	MIC Electronics, Ltd.	514,605	498,301
2,484,826	NTPC, Ltd.	10,232,929	10,117,218
378,488	Punj Lloyd, Ltd.	1,551,654	1,656,403
807,125	Reliance Infrastructure, Ltd.	9,595,987	20,176,019
247,177	Siemens India, Ltd.	1,526,113	2,437,458
337,287	Tata Power Co., Ltd.	5,143,308	8,094,747
		49,953,409	95,028,405

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See accompanying notes to financial statements.

THE INDIA FUND, INC.**June 30, 2009**
(Unaudited)

Schedule of Investments (continued)

COMMON STOCKS (continued)

NUMBER OF SHARES	SECURITY	PERCENT OF HOLDINGS	COST	VALUE
	India (continued)			
	Energy Alternate Sources	0.42%		
1,319,704	Suzlon Energy, Ltd.		\$ 1,622,310	\$ 2,856,764
390,973	Webel-SI Energy Systems, Ltd.		3,247,754	1,258,900
			4,870,064	4,115,664
	Engineering	2.20%		
569,219	Larsen & Toubro, Ltd.		12,448,201	18,634,927
158,375	McNally Bharat Engineering Co., Ltd.		345,315	432,593
312,159	Thermax, Ltd.		184,068	2,670,994
			12,977,584	21,738,514
	Finance	17.54%		
599,787	Axis Bank, Ltd.		5,634,504	10,437,583
727,050	Bank of Baroda		3,878,750	6,758,279
167,300	Canara Bank, Ltd.		605,435	921,800
307,371	Federal Bank, Ltd.		1,510,751	1,592,516
931,795	HDFC Bank, Ltd.		16,970,713	29,015,869
788,683	Housing Development Finance Corp., Ltd.		10,281,973	38,613,446
1,829,036	ICICI Bank, Ltd.		12,523,091	27,566,308
82,700	ICICI Bank, Ltd. ADR		2,462,883	2,439,650
1,067,123	India Infoline, Ltd.		1,447,259	2,713,195
123,000	Oriental Bank of Commerce		502,897	460,367
890,586	Punjab National Bank, Ltd.		9,311,047	12,598,896
450,000	Rural Electrification Corp., Ltd.		701,759	1,532,095
3,401,439	South Indian Bank, Ltd.		4,224,867	6,454,249
682,488	State Bank of India		3,473,265	24,818,458
22,550	State Bank of India GDR		257,070	1,614,285
1,093,163	Union Bank of India, Ltd.		2,864,924	5,505,178
			76,651,188	173,042,174

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	Food	0.92%		
656,550	Bajaj Hindusthan, Ltd.		1,022,340	2,799,983
1,984,744	Balrampur Chini Mills, Ltd.		2,545,886	4,362,667
1,219,005	Lakshmi Energy and Foods, Ltd.		3,674,986	1,908,472
			7,243,212	9,071,122
	Hotels & Leisure	0.52%		
5,206,131	Hotel Leelaventure, Ltd.		3,698,048	3,477,637
1,222,887	Indian Hotels Co., Ltd.		2,043,767	1,687,357
			5,741,815	5,164,994

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See accompanying notes to financial statements.

THE INDIA FUND, INC.

June 30, 2009
(Unaudited)

Schedule of Investments (continued)

COMMON STOCKS (continued)

NUMBER OF SHARES	SECURITY	PERCENT OF HOLDINGS	COST	VALUE
	India (continued)			
	Independent Power Producers	0.20 %		
558,143	Reliance Power, Ltd.+		\$ 1,309,240	\$ 1,952,714
			1,309,240	1,952,714
	Investment Companies	0.27 %		
345,130	Bajaj Holdings and Investment, Ltd.		3,401,527	2,642,238
			3,401,527	2,642,238
	Media	0.05 %		
1,096,000	Wire and Wireless India, Ltd.+		499,548	454,140
			499,548	454,140
	Media Conglomerates	0.05 %		
62,570	UTV Software Communications, Ltd.		499,981	473,079
			499,981	473,079
	Metal Diversified	1.61 %		
381,639	Hindustan Zinc, Ltd.		3,299,117	4,789,109
876,347	Sterlite Industries (India), Ltd.		7,454,576	11,119,665
			10,753,693	15,908,774
	Motorcycle/Motor Scooter	0.19 %		
89,873	Bajaj Auto, Ltd.		834,320	1,864,905
			834,320	1,864,905
	Oil & Gas	0.10 %		
546,262	Reliance Natural Resources, Ltd.+		709,990	957,284

		709,990	957,284
	Petroleum Related		
		16.74%	
219,436	Bharat Petroleum Corp., Ltd.	1,895,979	1,970,137
2,295,070	Cairn India, Ltd.+	7,926,145	11,160,350
638,799	GAIL India, Ltd.	3,651,266	3,839,728
437,940	Hindustan Petroleum Corp., Ltd.	1,748,942	2,733,868
177,739	Indian Oil Corp., Ltd.	1,303,385	1,974,033
1,250,517	Oil and Natural Gas Corp., Ltd.	16,403,536	27,855,676
2,736,989	Reliance Industries, Ltd.+	25,975,068	115,601,434
		58,904,321	165,135,226

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See accompanying notes to financial statements.

THE INDIA FUND, INC.**June 30, 2009**
(Unaudited)

Schedule of Investments (continued)

COMMON STOCKS (continued)

NUMBER OF SHARES	SECURITY	PERCENT OF HOLDINGS	COST	VALUE
	India (continued)			
	Pharmaceuticals	2.56%		
716,459	Cipla, Ltd.		\$ 2,729,368	\$ 3,788,312
323,418	Glenmark Pharmaceuticals, Ltd.+		1,808,267	1,469,069
749,525	Lupin, Ltd.		12,229,590	12,784,404
315,912	Sun Pharmaceutical Industries, Ltd.		4,358,199	7,194,326
			21,125,424	25,236,111
	Publishing	0.33%		
600,000	Business India Publications (Preferential Shares)+		1,003,792	169,085
2,000,000	Jagran Prakashan, Ltd.		3,455,146	3,131,197
			4,458,938	3,300,282
	Real Estate Operation/Development	0.84%		
457,229	Housing Development & Infrastructure, Ltd.		1,662,056	2,221,004
853,253	Indiabulls Real Estate, Ltd.		2,802,966	3,485,682
1,559,600	Unitech, Ltd.		2,511,492	2,591,466
			6,976,514	8,298,152
	Retail Jewelry	0.12%		
495,704	Gitanjali Gems, Ltd.		1,535,209	1,165,145
			1,535,209	1,165,145
	Retail Stores	0.01%		
161,973	Brandhouse Retails, Ltd.+		108,710	78,950
10,000	Pantaloon Retail India, Ltd.		66,580	65,139
			175,290	144,089
	Shipbuilding	0.69%		

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483,900	ABG Shipyard, Ltd.	1,019,622	2,009,642
4,700,000	Pipavav Shipyard, Ltd.+	9,488,959	4,807,431
		10,508,581	6,817,073

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See accompanying notes to financial statements.

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