INDIA FUND INC
Form N-2/A
June 20, 2006

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As filed with the Securities and Exchange Commission on June 20, 2006

Securities Act Registration No. 333-133089
Investment Company Act File No. 811-8266

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-2

(Check appropriate box or boxes)

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No. 2
Post-Effective Amendment No.
and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

Amendment No. 10

The India Fund, Inc.

(Exact name of Registrant as Specified in Charter)

345 Park Avenue, New York, New York 10154

(Address of Principal Executive Offices)

1-866-800-8933

(Registrant's Telephone Number, including Area Code)

Prakash A. Melwani
Director and President
The India Fund, Inc.
345 Park Avenue, New York, New York 10154

(Name and Address of Agent for Service)

Copies to:

Cynthia G. Cobden, Esq.
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017

Approximate Date of Proposed Public Offering: As soon as practicable after the effective date of this Registration Statement.

If any securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box.

It is proposed that this filing will become effective (if appropriate, check box)

when declared effective pursuant to section 8(c).

If appropriate, check the following boxes:

This [post-effective] amendment designates a new effective date for a previously filed [post-effective amendment] [registration statement].

This Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act and the Securities Act registration statement number of the earlier effective registration statement for the same offering is .

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount Being Registered(1)	Proposed Maximum Offering Price Per Unit(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Common Stock ($.001 par value per share)	13,206,525 shares	$31.88	$421,050,430.05	$45,052.40

(1) This amount includes shares to be issued pursuant to oversubscription, as described herein.
(2) Estimated solely for the purpose of calculating the registration fee.
(3) The registration fee for the securities offered hereby has been calculated under Rule 457(d) of the Securities Act based on the net asset value per share of the registrant on June 16, 2006. The registrant has previously paid $80,712.31.

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

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The India Fund, Inc.

Cross-Reference Sheet
Parts A and B of Prospectus*

Items in Parts A and B of Form N-2		Location in Prospectus
Item 1.	Outside Front Cover	Cover of Prospectus
Item 2.	Cover Pages; Other Offering Information	Cover of Prospectus
Item 3.	Fee Table and Synopsis	Summary of Expenses
Item 4.	Financial Highlights	Financial Highlights
Item 5.	Plan of Distribution	Not Applicable
Item 6.	Selling Shareholders	Not Applicable
Item 7.	Use of Proceeds	The Offer; Use of Proceeds; Investment Objective and Policies; Additional Investment Activities
Item 8.	General Description of the Registrant	Cover of Prospectus; The Fund; Investment Objective and Policies; Additional Investment Activities; Semi-Annual Repurchases of Securities; Investment Restrictions; Risk Factors; Description of Capital Stock; Net Asset Value; Financial Statements
Item 9.	Management	Management of the Fund; Investment Management and Other Services; Description of Capital Stock; Enforceability of Civil Liabilities; Custodians, Transfer Agent, Dividend Paying Agent and Registrar
Item 10.	Capital Stock, Long-Term Debt, and Other Securities	Dividends and Distributions; Dividend Reinvestment and Cash Purchase Plan; Taxation; Description of Capital Stock; Risk Factors
Item 11.	Defaults and Arrears on Senior Securities	Not Applicable
Item 12.	Legal Proceedings	Not Applicable
Item 13.	Table of Contents of the Statement of Additional Information	Table of Contents of the Statement of Additional Information
Item 14.	Cover Page	Cover Page of the Statement of Additional Information
Item 15.	Table of Contents	Table of Contents of the Statement of Additional Information
Item 16.	General Information and History	Not Applicable
Item 17.	Investment Objective and Policies	Investment Objective and Policies; Additional Investment Activities; Investment Restrictions; Portfolio Transactions
Item 18.	Management	Management of the Fund; Investment Management and Other Services; Custodians, Transfer Agent, Dividend Paying Agent and Registrar; Statement of Additional Information
Item 19.	Control Persons and Principal Holders of Securities	Control Persons and Principal Holders of Securities; Management of the Fund

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Items in Parts A and B of Form N-2		Location in Prospectus
Item 20.	Investment Advisory and Other Services	Investment Management and Other Services; Custodians, Transfer Agent, Dividend Paying Agent and Registrar; Experts
Item 21.	Portfolio Managers	Portfolio Manager
Item 22.	Brokerage Allocation and Other Practices	Portfolio Transactions
Item 23.	Tax Status	Dividends and Distributions; Dividend Reinvestment and Cash Purchase Plan; Taxation
Item 24.	Financial Statements	Financial Statements

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* All information required to be set forth in Part B: Statement of Additional Information has been included in Part A: The Prospectus, except for the Funds proxy voting policies and procedures, which are required to be disclosed pursuant to Item 18 of Form N-2 and which are included in the Statement of Additional Information. All items required to be included in Part C: Other Information are set forth in Part C.

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Asia Advisors L.L.C.

The India Fund, Inc.

Rights Offering
Expires August 4, 2006*

Important Dates

Record Date: July 3, 2006

Subscription Period: July 3, 2006 to August 4, 2006*

Expiration Date: August 4, 2006*

**unless extended*

Contact your financial advisor for more information

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SUBJECT TO COMPLETION, DATED JUNE 20, 2006

PROSPECTUS

THE INDIA FUND, INC.

13,206,525 Shares of Common Stock
Issuable Upon Exercise of Non-Transferable
Rights to Subscribe for Shares of Common Stock

The India Fund, Inc. (the "Fund") is offering to its common stockholders of record as of July 3, 2006 non-transferable rights. These rights will allow you to subscribe for one share of common stock for each three rights held. You will receive one right for each whole share of common stock that you hold of record as of July 3, 2006. You need three rights to purchase one share at the subscription price. The Fund will not issue fractional shares upon the exercise of less than three rights. The rights will not be listed for trading on the New York Stock Exchange (the "NYSE") or any other exchange. The subscription price will be equal to 95% of the net asset value per share of the Fund's common stock at the close of business on the date on which the offer expires.

THE OFFER WILL EXPIRE AT 5:00 P.M., EASTERN DAYLIGHT TIME, ON AUGUST 4, 2006, UNLESS EXTENDED TO NOT LATER THAN AUGUST 11, 2006 OR TERMINATED EARLY AS DESCRIBED HEREIN. The Fund announced the offer after the close of business on April 7, 2006. The last reported sale price of a share of the Fund's common stock on the NYSE on April 7, 2006 and June 16, 2006 was $51.43 and $44.35, respectively. The net asset value per share at the close of business on April 7, 2006 and June 16, 2006 was $43.86 and $33.56, respectively. Because the expiration date and the date upon which the price of the rights will be determined will be the same date, stockholders who exercise their rights will not know the purchase price of the shares when they make their investment decision. Once you subscribe for shares and the Fund receives payment or a guarantee of payment, you will not be able to change your decision. If the market price of the Fund's common stock is below the subscription price, it may not be in your interest to participate in this offering. *(continued on following page)*

Investment in the Fund involves certain special considerations and risks arising in part from the Fund's investment in securities of Indian companies, which are not associated with investments in securities of U.S. companies or certain other non-U.S. issuers. These risks relate to, among other things, political, social and economic conditions in India, and are described in greater detail elsewhere in this prospectus. The Fund may also invest in debt obligations that may be rated below investment grade or in comparable unrated debt obligations. Debt obligations of below investment grade quality are regarded as having predominately speculative characteristics with respect to capacity to pay interest and repay principal and are commonly referred to as "junk bonds." There are special risks and considerations associated with investing in such high yield/high risk debt obligations. In addition, although the Fund's shares of common stock have recently traded on the NYSE at a premium to their net asset value, the issuance of non-transferable rights may reduce or eliminate that premium or the Fund's shares may instead trade at a discount to net asset value. You could lose some or all of your investment and you should carefully consider the "risk factors" beginning on page 34 of this prospectus before participating in this offer.

Stockholders who do not fully exercise their rights will own a smaller proportional interest in the Fund. In addition, because the subscription price will be less than the net asset value per share, the offer will result in an immediate dilution of the net asset value per share for all stockholders. See "Risk Factors" on page 34 of this prospectus.

This prospectus sets forth concisely the information about the Fund that a prospective investor ought to know before investing. Investors are advised to read this prospectus and to retain it for future reference.

For information regarding the offer, contact Georgeson Shareholder Communications Inc., the information agent, at 1-866-297-1264.

	Estimated Price to Public (1)	**Sales Load (2)**	**Estimated Proceeds to the Fund (2)**
Per Share	$31.88	None	$31.82
Total (3)	$336,840,344.04	None	$336,196,108.89

(1) The estimated subscription price to the public is based upon 95% of the Fund’s net asset value per share on June 16, 2006
(2) After deduction of expenses payable by the Fund, estimated at $644,235.15.
(3) Assumes all rights are exercised at the estimated subscription price. If the Fund increases the number of shares subject to subscription by 25%, the Estimated Price to the Public, Estimated Sales Load and Estimated Proceeds to the Fund will be $421,050,430.05, $0 and $420,406,194.90, respectively. See “The Offer—Over-Subscription Privilege.”

The Fund may increase the number of shares of common stock subject to subscription by up to 25%, or up to an additional 2,641,305 shares, for an aggregate total of 13,206,525 shares. The shares will be ready for delivery on or about August 23, 2006.

The date of this prospectus is .

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

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(continued from previous page)

The Fund is a closed-end investment company whose shares of common stock are listed and traded on the NYSE under the symbol “IFN” and whose investment goal is long-term capital appreciation by investing primarily in Indian equity securities. Under normal market conditions, at least 80% of the Fund’s total assets are invested in the equity securities of Indian companies. These are fundamental policies that may not be changed without the approval of a majority of the Fund’s outstanding voting securities. The Fund operates under an interval fund structure pursuant to which it conducts semi-annual repurchase offers for between 5% and 25% of the Fund’s outstanding common stock. See “Semi-Annual Repurchases of Securities” and “Risk Factors—Risks Related to the Fund’s Operations—The Fund’s “interval fund” structure involves certain risks and special considerations not typically associated with other closed-end funds” in this prospectus.

This prospectus contains important information you should know before investing. Please read it before you invest and keep it for future reference. A Statement of Additional Information dated , 2006 containing additional information about the Fund has been filed with the Securities and Exchange Commission and legally forms a part of this prospectus. The table of contents of the Statement of Additional Information appears on page 78 of this prospectus. You may obtain a copy of the Statement of Additional Information free of charge by contacting Blackstone Asia Advisors L.L.C., the Funds’ investment manager, 345 Park Avenue, New York, New York 10154, by calling 1-866-800-8933 toll free or on the Internet at www.blackstone.com. In addition, the Fund’s Annual Report, containing the fund’s financial statements for the fiscal year ended December 31, 2005, as filed on Form N-CSR, is available free of charge by contacting Blackstone Asia Advisors L.L.C. as indicated above. The Fund’s Statement of Additional Information and Annual Report and other information about the Fund, including material incorporated by reference into this prospectus, are also available free of charge on the SEC’s website at www.sec.gov.

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

In this prospectus and except as the context otherwise requires or indicates:

- The “Fund” means The India Fund, Inc., a Maryland corporation.
- “Blackstone Advisors” or “Investment Manager” means Blackstone Asia Advisors L.L.C., a Delaware limited liability company.
- “Blackstone India” or “Country Adviser” means Blackstone Fund Services India Private Limited, a company organized under the laws of India.

In this prospectus, unless otherwise indicated, all references to “U.S. dollars,” “US$,” “dollars” and “$” are to United States dollars, the lawful currency of the United States of America, and all reference to “rupees” and “Rs.” are to Indian rupees. On June 16, 2006, the U.S. dollar value of the Indian rupee was Rs. 45.704 = US$1.00, as reported in *The Wall Street Journal* on June 17, 2006.

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FORWARD-LOOKING STATEMENTS

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

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PROSPECTUS SUMMARY

You should read the entire prospectus, including the Statement of Additional Information that legally forms part of this prospectus, before you decide whether to exercise your rights. In particular, you should carefully read the risks of investing in the shares, as discussed under “Risk Factors.”

THE OFFER AT A GLANCE

The Offer
The India Fund, Inc., or the Fund, is offering to its common stockholders of record as of July 3, 2006 non-transferable rights. These rights will allow you to subscribe for one share of common stock, par value $.001 per share, for each three rights held. You will receive one right for each whole share of common stock that you hold of record as of July 3, 2006. You need three rights to purchase one share at the subscription price. The Fund will not issue fractional shares upon the exercise of less than three rights. The rights will not be listed for trading on the NYSE or any other exchange. Rights may be exercised at any time from July 3, 2006 through 5:00 p.m., Eastern daylight time, on August 4, 2006, unless extended to not later than August 11, 2006 or terminated early as described herein. See “The Offer— Expiration, Extension and Early Termination of the Offer.” Since the expiration date is the same date as the pricing date, stockholders who exercise their rights will not know the subscription price at the time they exercise their rights. If the market price of the Fund’s common stock is below the subscription price, it may not be in your interest to participate in this offering. Once you subscribe for shares and the Fund receives payment or a guarantee of payment, you will not be able to change your decision. In certain instances described below under “—Over-Subscription Privilege,” the Fund may increase the number of shares of common stock subject to subscription by up to 25% of the shares. We refer to any such additional shares as “additional shares.” See “The Offer.”

The Fund previously completed a rights offering for approximately 9.4 million shares in January 2005. The net proceeds of that rights offering, approximately $250 million, were fully invested in accordance with the Fund’s investment objective and policies within two months of the completion of the offering. As a result of that offering, the Fund’s net asset value was diluted by 1.47%.

Purposes of the Offer
The Board of Directors of the Fund has determined that it would be in the best interests of the Fund and its stockholders to increase the assets of the Fund through this offer because it may provide the following benefits: (i) a greater ability to take advantage of investment opportunities without being required to sell current portfolio positions that the Investment Manager believes should be retained; (ii) additional investment flexibility, including the ability to diversify the Fund by investing in a greater number of mid-capitalization companies; (iii) additional opportunity to capitalize on attractive investment opportunities in India, including initial public offerings, privatizations and preferential allotments; (iv) improved market visibility for the Fund; (v) improved liquidity of the trading market for shares on the NYSE; and (vi) an opportunity for existing stockholders by providing them with an opportunity to purchase additional shares potentially at a price below the current market price without incurring significant transaction costs. See “The Offer—Purposes of the Offer.”

The increased assets to the Fund as a result of the offer will result in increased fees to all of the Fund’s service providers whose fees are based on the Fund’s net assets, including fees paid to the Investment Manager, Country Adviser and Administrator. See “The Fund At A Glance—Investment Manager and Country Adviser”, “The Fund At A Glance—Fund Administrators” and “Investment Management and Other Services.”

Subscription Price
The subscription price will be equal to 95% of the net asset value per share of the Fund’s common stock at the close of business on the date on which the offer expires. See “The Offer—Subscription Price.”

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Over-Subscription Privilege

Each stockholder as of the record date who fully exercises all rights issued to him or her will be entitled to subscribe for additional shares that were not subscribed for by other stockholders. This is known as the “over-subscription privilege.” If sufficient shares are available, all record stockholders’ over-subscription requests will be honored in full. If sufficient shares are not available to honor all requests for over-subscription, the Fund may increase the number of shares available by up to 25%, or 2,641,305 shares, in order to satisfy over-subscription requests. If the requests for additional shares exceed the shares available, the available shares, including any additional shares, will be allocated pro rata among stockholders who over-subscribe based on the number of rights originally issued to them by the Fund. See “The Offer—Over-Subscription Privilege.”

How to Exercise Rights

Rights may be exercised by stockholders who fill in and sign the accompanying subscription certificate and mail it in the envelope provided or deliver the completed and signed subscription certificate to the subscription agent, together with any required payment for the shares as described below under “The Offer—Payment for Shares.” Rights may also be exercised by a stockholder contacting his or her broker, bank or trust company, which can arrange, on the stockholder’s behalf, to guarantee delivery, by using a notice of guaranteed delivery, of a properly completed and executed subscription certificate and payment for the shares. The broker, bank or trust company may charge a fee for this service. Stockholders who choose to exercise their rights will not know at the time of exercise the subscription price for shares being acquired and will be required initially to pay for such shares at the estimated subscription price of $31.88 per share. Fractional shares will not be issued. Completed subscription certificates must be received by the subscription agent prior to 5:00 p.m., Eastern daylight time, on the expiration date, which is August 4, 2006 (unless payment is to be effected by means of a notice of guaranteed delivery). See “The Offer—Payment for Shares.”

Rights May Not Be Purchased or Sold

You may not purchase or sell the rights, and they will not trade on any exchange. If you do not exercise your rights before the conclusion of this offer, your rights will expire without value. However, the shares to be issued pursuant to the offer will be listed on the NYSE, subject to the NYSE being officially notified of the issuance of those shares.

Restrictions on Foreign Stockholders

The Fund will not mail subscription certificates to stockholders whose record addresses are outside the United States. PFPC Inc. will hold the rights to which subscription certificates relate for foreign stockholders accounts until instructions are received to exercise the rights. If no instructions are received prior to the expiration date, which is August 4, 2006, the rights will expire. Foreign stockholders holding shares through a U.S. broker-dealer should contact the broker-dealer regarding this offer. See “The Offer—Restrictions on Foreign Stockholders.”

Obtaining Subscription Information

If you have any questions or requests for assistance, please contact Georgeson Shareholder Communications Inc., the information agent, toll-free at 1-866-297-1264. You may also call your broker or nominee for information with respect to this offer. See “The Offer— Information Agent” and “—Subscription Agent.” Please note that the dates in the table may change if the offer is extended.

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Important Dates to Remember

Event	Date
Record Date	July 3, 2006
Subscription Period*	July 3, 2006 to August 4, 2006
Expiration Date*	August 4, 2006
Pricing Date*	August 4, 2006
Subscription Certificate and Payment for Shares or Notice of Guaranteed Delivery Due*	August 4, 2006
Subscription Certificate and Payment for Shares Due for Those Using Notice of Guaranteed Delivery*	August 9, 2006
Confirmation to Participants*	August 16, 2006
Final Payment for Shares*	August 23, 2006

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* Unless extended or terminated early as described herein.

Tax Consequences

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

Use of Proceeds

We estimate the net proceeds of this offer to be approximately $336,196,108.89. If the Fund increases the number of shares subject to subscription by 25%, then the total net proceeds of the offer will be approximately $420,406,194.90. These figures assume (i) all rights are exercised in full, (ii) a subscription price of $31.88 and (iii) payment of offering expenses estimated to be approximately $644,235.15.

The offering is designed to raise funds to be invested consistent with the Fund’s investment objectives and policies. The Fund anticipates that investment of the net proceeds of this offer in accordance with the Fund’s investment objective and policies may take up to six months from their receipt by the Fund, depending on market conditions and the availability of appropriate securities. See “Use of Proceeds” and “Risk Factors—Risks Related to the Fund’s Operations.”

THE FUND AT A GLANCE

The Fund

The Fund is a Maryland corporation organized on December 27, 1993 and is a non-diversified, closed-end management investment company. As of June 16, 2006, the net assets of the Fund were $1,063,726,850.14. Assuming that all rights are exercised at the estimated subscription price, including the additional shares that may be issued under the over-subscription privilege, the net assets of the Fund would be approximately $1.485 billion.

Investment in India

The Fund’s investment objective and policies reflect the Investment Manager’s opinion that economic and political developments and changes in the last several years have well positioned India to experience a period of significant economic growth. The Investment Manager believes that India should continue to grow as an economic force and that investment in its securities market offers significant potential returns For a detailed description of India and its securities market, see “Appendix B: Republic of India” and “Appendix C: The Indian Securities Market.”

The Fund invests in India pursuant to the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, which we refer to as the “FII Regulations” and which were established by the Securities and Exchange Board of India (“SEBI”) to regulate investment by foreign institutional investors in

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Indian securities. The FII Regulations allow direct investment in Indian securities by registered foreign institutional investors or their clients, also known as “sub-accounts.” Under the FII regulations, the Fund invests in India as a sub-account of the Investment Manager, which is registered with SEBI as a foreign institutional investor. The Investment Manager in its capacity a foreign institutional investor acts on behalf of the Fund and other approved clients. The Fund’s investments are held in the Fund’s name through the Fund’s custodian, Deutsche Bank AG. See “Risk Factors—Risks Related to the Fund’s Operations” and “Investment in India.”

Investment Objective and Policies

The Fund’s investment objective is long-term capital appreciation by investing primarily in the equity securities of Indian companies. Under normal market conditions, at least 80% of the Fund’s total assets are invested in equity securities of Indian companies. These are fundamental policies that may not be changed without the approval of a majority of the Fund’s outstanding voting securities. Equity securities include common and preferred stock (including convertible preferred stock), American, global or other types of depositary receipts, convertible bonds, notes and debentures, equity interests in trusts, partnerships, joint ventures or similar enterprises and common stock purchase warrants and rights. Most of the equity securities purchased by the Fund are traded on an Indian or other foreign stock exchange or over-the-counter market. However, the Fund may invest to a limited extent in securities that are not publicly traded and in investment funds that invest at least 80% of their total assets in the equity securities of Indian companies in which the Fund is authorized to invest. The Fund invests in such investment funds when the Investment Manager believes that such investments may be more advantageous to the Fund than a direct market purchase of such securities. For temporary defensive purposes, the Fund may invest without limitation in temporary investments. No assurance can be given that the Fund’s investment objective will be realized. See “Investment Objective and Policies” and “Risk Factors—Risks Related to the Fund’s Operations.”

Indian companies include companies that:

- are organized under the laws of India;
- regardless of where organized, derive at least 50% of their revenues from goods produced or sold, investments made, or services performed, in India, or have at least 50% of their assets in India; or
- have securities which are traded principally on any Indian stock exchange or in the Indian over-the-counter market.

See “Investment Objective and Policies—Portfolio Structure” for other eligible investments.

Up to 20% of the Fund’s total assets may be invested, subject to certain restrictions, in:

- equity securities of companies (other than companies meeting the definition of Indian companies), regardless of where organized, which the Investment Manager and the Country Adviser believe derive, or will derive, at least 25% of their revenues from business in or with India, or have at least 25% of their assets in India;
- debt securities denominated in Indian rupees or issued or guaranteed by an Indian company, the Government of India or an Indian governmental entity; and
- short-term debt securities of the type described under “Investment Objective and Policies—Temporary Investments.”

Up to 20% of the Fund’s total assets may also be utilized to purchase and sell options on securities, financial futures, fixed income indices and other financial futures contracts, enter into interest rate transactions and to enter into currency transactions, sell securities short and loan portfolio securities. The Fund will only invest in such assets in order to hedge against financial risks. The Fund will not be obligated, however, to do any hedging and makes no representation as to the availability of these techniques at this time or at any time in the future. See “Risk Factors—Risks Related to the Fund’s Operations,” —“The Fund’s ability to successfully hedge against financial risks may adversely affect the Fund’s net asset value” and “Additional Investment Activities—Hedging.”

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The Fund□s assets may be invested in debt securities (other than temporary investments) when the Investment Manager believes that, based upon factors such as relative interest rate levels and foreign exchange rates, such securities offer opportunities for long-term capital appreciation.

See □Risk Factors□Risks Related to the Fund□s Operations.□

Listing
The Fund□s common stock is listed and traded on the NYSE under the symbol □IFN.□

Dividends and Distributions
The Fund intends to distribute annually to holders of common stock substantially all of its net investment income and distributes any net realized capital gains at least annually.

Under the Fund□s dividend reinvestment and cash purchase plan, all dividends and distributions are automatically reinvested in additional shares of common stock of the Fund unless a stockholder elects to receive cash. Participants also have the option of making additional cash payments, annually, to be used to acquire additional shares of common stock of the Fund in the open market. Stockholders whose shares are held in the name of a broker or nominee should contact such broker or nominee to confirm that they are able to participate in the plan. See □Dividends and Distributions; Dividend Reinvestment and Cash Purchase Plan.□

Semi-Annual Share Repurchases
The Fund operates as an interval fund structure, pursuant to which the Fund conducts semi-annual repurchase offers for between 5% and 25% of the Fund□s outstanding common stock. See □Semi-Annual Repurchases of Securities.□

Investment Manager and Country Adviser
The Investment Manager is Blackstone Advisors, an affiliate of The Blackstone Group (□Blackstone□). For more information on the Investment Manager, see □Investment Management and Other Services□Investment Manager.□

The Country Adviser is Blackstone India, an affiliate of Blackstone and Blackstone Advisors. For more information on the Country Adviser, see □Investment Management and Other Services□Country Adviser.□

Under the existing management agreement, the Fund pays the Investment Manager a monthly fee at an annual rate of: (i) 1.10% for the first $500,000,000 of the Fund□s average weekly net assets; (ii) 0.90% for the next $500,000,000 of the Fund□s average weekly net assets; (iii) 0.85% for the next $500,000,000 of the Fund□s average weekly net assets; and (iv) 0.75% of the Fund□s average weekly net assets in excess of $1,500,000,000 for its services. Under the existing country advisory agreement, the Investment Manager pays the Country Adviser a monthly fee at an annual rate of 0.10% of the Fund□s average weekly net assets.

Because the Investment Manager and the Country Adviser receive fees based on net assets, they will benefit from the increase in assets that will result from this offer. It is not possible to state precisely the amount of additional compensation that the Investment Manager and the Country Adviser might receive as a result of this offer because it is not known how many shares will be subscribed for and because the proceeds of this offer will be invested in additional portfolio securities, which will fluctuate in value. However, assuming that the value of the Fund□s assets remained constant prior to the offer at $1.064 billion (its approximate value as of June 16, 2006) and after the offer at $1.485 billion (which assumes that all rights are exercised at the estimated subscription price, including the additional shares that may be issued under the over-subscription privilege), the annual compensation received by the Investment Manager and the Country Adviser would be increased by approximately $3.589 million and $420,400, respectively. The Country Adviser□s fee is paid by the Investment Manager and not directly by the Fund.

The advisory fees paid by the Fund may be higher than those paid by most other investment companies that invest predominantly in the securities of U.S. companies, primarily due to the additional time and

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expense required of the Investment Manager and the Country Adviser in pursuing the Fund's objective, which is long-term capital appreciation by investing primarily in the equity securities of Indian companies.

Fund Administrators

Blackstone Advisors, the Fund's Investment Manager, also serves as the Fund's administrator. The Fund pays Blackstone Advisors a monthly fee at an annual rate of 0.20% of the Fund's average monthly net assets for its services. Because the Fund administrator receives fees based on net assets, it will benefit from the increase in assets that will result from this offer. Blackstone Advisors subcontracts certain of its services to PFPC Inc. Assuming that the value of the Fund's assets remained constant prior to the offer at $1.064 billion (its approximate value as of June 16, 2006) and after the offer at $1.485 billion (which assumes that all rights are exercised at the estimated subscription price, including the additional shares that may be issued under the over-subscription privilege), the annual compensation received by the Fund's administrator would be increased by approximately $848,700.

Multiconsult Ltd. serves as the Fund's Mauritius administrator. The Fund pays Multiconsult Ltd. a monthly fee of $1,500 for its services and a quarterly fee of $1,000 for its calculation of net asset value. The Fund also reimburses Multiconsult Ltd. for all reasonable out-of-pocket expenses reasonably incurred by it in the performance of its duties.

See "Investment Management and Other Services—Administrator" and "Investment Management and Other Services—Mauritian Administrator."

Custodian, Transfer Agent, Dividend Paying Agent and Registrar

Deutsche Bank AG is custodian of the assets of the Fund. Deutsche Bank (Mauritius) Limited acts as custodian of the cash assets of the Fund. PFPC Inc. acts as transfer agent, dividend paying agent and registrar for the Fund.

RISK FACTORS AND SPECIAL CONSIDERATIONS AT A GLANCE

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

As a result of this offer, you will incur immediate economic dilution, and, if you do not exercise all of your rights, you may incur dilution of ownership, voting rights and your share of any distributions made by the Fund.

You should expect that you will, at the completion of this offer, experience immediate dilution of net asset value per share because the subscription price will be less than the net asset value per share, and the number of shares outstanding after the offer will have increased proportionately more than the increase in the size of the Fund's net assets. This dilution of net asset value will disproportionately affect stockholders who do not exercise their rights. In addition, whether or not you exercise your rights, you will experience a dilution of net asset value because you will indirectly bear the expenses of this offer, which include, among other items, SEC registration fees, state "blue sky" qualification fees, printing expenses and the fees assessed by service providers (including the cost of the Fund's counsel and accountants). We cannot state precisely the amount of any decrease because we do not know at this time how many shares will be subscribed for or what the net asset value per share will be at the pricing date. For example, assuming (i) a net asset value of $1.064 billion (the Fund's approximate net asset value on June 16, 2006), (ii) a subscription price of $31.88 (which is 95% of the Fund's approximate net asset value per share on June 16, 2006) and (iii) that all rights are exercised at the estimated subscription price, including the additional shares that may be issued under the over-subscription privilege, the Fund's net asset value per share (after payment of estimated expenses) would be reduced by approximately $0.51 per share. As of June 16, 2006, the Fund's net asset value per share was $33.56.

In addition to the economic dilution described above, if you do not exercise all of your rights, you may incur dilution of ownership and voting rights, as well as dilution of your share of any distributions made by the Fund, as a result of this offer. This dilution may occur because you could own a smaller interest in the

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Fund after the offer than you owned prior to the offer. If you do not submit a subscription request pursuant to the over-subscription privilege, you may also experience dilution in your Fund ownership if the Fund offers additional shares for subscription.

See “The Offer—Dilution” and “Risk Factors—Risks Relating to the Offer—As a result of this offer, you will incur immediate economic dilution, and, if you do not exercise all of your rights, you may incur dilution of ownership, voting rights and your share of any distributions made by the Fund.”

You may lose money by investing in the Fund, including the possibility that you may lose all of your investment.

An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the U.S. Federal Deposit Insurance Corporation or any other governmental agency.

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

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

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

The Fund is intended to be a long-term investment vehicle and is not designed to provide investors with a means of speculating on short-term stock market movements. Investors should not consider the Fund a complete investment program. See “Risk Factors—Risks Related to the Offer—You may lose money by investing in the Fund, including the possibility that you may lose all of your investment.”

Investing in India involves certain risks and special considerations not typically associated with investing in U.S. companies.

Investing in an emerging market such as India, involves certain risks and special considerations not typically associated with investing in the securities of established U.S. companies, including: (i) greater political, economic and social uncertainty; (ii) significantly greater price volatility, substantially less liquidity and much smaller market capitalization of securities markets; (iii) less developed corporate disclosure and governance standards; (iv) greater difficulty in enforcing judgments; (v) restrictions on foreign investment and repatriation of capital; (vi) exchange control regulations; (vii) currency devaluations and exchange rate fluctuations, which may increase the costs associated with conversion of investment principal and income from one currency to another; (viii) higher rates of inflation; and (ix) greater governmental involvement in the economy. These risks are described in more detail under “Risk Factors—Risks Related to the Fund’s Operations.”

In addition, future actions of the Indian Government or religious and ethnic unrest could have a significant impact on the economy, which could adversely affect private sector companies in which the Fund invests. In addition, accounting, auditing and financial reporting standards in India differ from U.S. standards, meaning that disclosure of certain material information may not be made, and less information may be available to the Fund than would be the case if the Fund invested primarily in U.S. issuers. There is also generally less governmental regulation of the securities industry in India than in the United States, and it may be more difficult to obtain a judgment in a court outside the United States. The Fund will be subject to withholding taxes, including withholding taxes imposed on dividends, interest and realized capital gains by the government of India. See “Risk Factors—Risks Related to the Fund’s Operations” and “Taxation.”

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The Fund's investments in illiquid securities may restrict its ability to dispose of its investments in a timely fashion and at a price approximating the value at which the Fund carries the securities on its books.

The Fund may invest up to 20% of its total assets in illiquid securities, for which there may be no or only a limited trading market and for which a low trading volume of a particular security may result in abrupt and erratic price movements. The Fund may encounter substantial delays and could incur losses in attempting to resell illiquid securities. See "Additional Investment Activities" and "Risk Factors—Risks Related to the Fund's Operations—The Fund's investments in illiquid securities may restrict its ability to dispose of its investments in a timely fashion and at a price approximating the value at which the Fund carries the securities on its books."

The concentration of the Fund's investments in specific economic sectors and related industries may expose it to greater risk of loss with respect to its portfolio securities.

From time to time, the Fund may invest a greater proportion of its assets in the securities of companies that are part of specific sectors and related industries of the Indian economy. For example, at March 31, 2004, the Fund maintained approximately 20.3% of its total assets in the securities of Indian companies in the petroleum sector and related industries. The Fund is therefore subject to greater risk of loss with respect to its portfolio securities as a result of its concentration in such sectors and related industries. See "Risk Factors—Risks Related to the Fund's Operations—The concentration of the Fund's investments in specific economic sectors and related industries may expose it to greater risk of loss with respect to its portfolio securities."

A change in the Fund's tax status could adversely affect the Fund's return on its investments.

The Fund currently operates through a branch in the Republic of Mauritius to take advantage of favorable tax treatment by the Indian government pursuant to a taxation treaty between India and Mauritius. Recently, the Supreme Court of India upheld the validity of this tax treaty in response to a lower court challenge contesting the treaty's applicability to entities such as the Fund. Any change in the provision of this treaty or in its applicability to the Fund could result in the imposition of withholding and other taxes on the Fund by India, which would reduce the return to the Fund on its investments. See "Risk Factors—Risks Related to the Fund's Operations—A change in the Fund's tax status could adversely affect the Fund's return on its investments," "Taxation—U.S. Stockholders" and "Taxation— Mauritian Tax Status."

In addition, prior to Blackstone Advisors assuming management, the Fund may have failed to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code for the taxable year ended December 31, 2004. A provision of $25,507,350 was made for U.S. federal income tax purposes. However, on April 6, 2006, the Fund declared a deficiency dividend (within the meaning of Section 860 of the Internal Revenue Code) of $1.07 per share with respect to its income for the taxable year ending December 31, 2004. As a result of this deficiency dividend, the Fund has reduced its recorded tax liability to approximately $5,000,000. There can be no assurance that the Fund will be able to further reduce the liability. See "Risk Factors—Risks Related to the Fund's Operations—A change in the Fund's tax status could adversely affect the Fund's return on its investments" and "Taxation—The Fund."

The Fund's shares have traded and may in the future trade at a discount to net asset value.

Although the Fund's shares of common stock have recently traded on the NYSE at a premium to their net asset value, the Fund's shares have in the past traded at a discount to their net asset value. There can also be no assurance that the Fund's shares will trade at a premium in the future or that the present premium is sustainable. The Fund's shares have traded at discounts of as much as 40%.

In addition, you should note that shares of closed-end investment companies frequently trade at a discount from net asset value. This characteristic is a risk separate and distinct from the risk that the Fund's net asset value will decrease as a result of its investment activities. The Fund cannot predict whether its shares will trade at, above or below net asset value. The Fund is intended primarily for long-term investors and should not be considered as a vehicle for trading purposes. See "Risk Factors—Risks Related to the Fund's Operations—The Fund's shares have traded and may trade in the future at a discount to net asset value."

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The Fund's "interval fund" structure involves certain risks and special considerations not typically associated with other closed-end funds.

The Fund has adopted an interval fund structure whereby the Fund conducts semi-annual repurchase offers for between 5% and 25% of the Fund's outstanding common stock. The Fund's required semi-annual repurchases are likely to continually decrease the overall size of the Fund which could over time: (i) harm investment performance in part by limiting the extent to which the Fund may pursue its investment strategy; (ii) increase the Fund's expense ratio as the Fund's assets decrease; and (iii) jeopardize the Fund's viability and continued existence. Moreover, there are additional risks associated with the Fund's repurchase offers, including the risk that: (i) if the repurchase offer is over-subscribed, stockholders may be unable to liquidate all or a given percentage of their investment at net asset value during the repurchase offer; (ii) because the Fund expects to liquidate portfolio securities in order to fund repurchase offers, the need to sell such securities may in turn affect the market for such securities and accordingly diminish the value of the Fund's investments; (iii) share values may decrease as a result of currency fluctuations between the date of tender and the repurchase pricing date; (iv) the repurchase offer may not eliminate any discount, if any, at which the Fund's shares trade; and (v) due to the potential for proration if the repurchase offer is over-subscribed, some investors may tender more shares than they wish to have repurchased in order to ensure the repurchase of a specific number of shares. See "Risk Factors—Risks Related to the Fund's Operations—The Fund's "interval fund" structure involves certain risks and special considerations not typically associated with other closed-end funds" and "Semi-Annual Repurchases of Securities."

The Fund's status as a "non-diversified" investment company may expose it to greater risk of loss with respect to its portfolio securities.

The Fund is classified as a "non-diversified" investment company under the U.S. Investment Company Act of 1940, as amended (the "1940 Act"), which means that the Fund is not limited in the proportion of its assets that may be invested in the securities of a single issuer. However, the Fund intends to comply with the diversification requirements imposed by the U.S. Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), for qualification as a regulated investment company. As a non-diversified investment company, the Fund may invest a greater proportion of its assets in the securities of a smaller number of issuers and, as a result, is subject to greater risk of loss with respect to its portfolio securities. See "Risk Factors—Risks Related to the Fund's Operations—The Fund's status as a "non-diversified" investment company may expose it to greater risk of loss with respect to its portfolio securities" and "Taxation—The Fund."

There are no fixed limitations regarding portfolio turnover.

Frequency of portfolio turnover is not a limiting factor if the Fund considers it advantageous to purchase or sell securities. The Fund anticipates that its annual portfolio turnover rate will not exceed 150%. For the year ended December 31, 2005, the Fund's portfolio turnover rate was 50.28%. A high rate of portfolio turnover involves correspondingly greater aggregate payments for brokerage commissions than a lower rate, which expenses must be borne by the Fund and its stockholders, while a lower rate of portfolio turnover involves correspondingly lower aggregate payments and stockholder expenses. See "Risk Factors—Risks Related to the Fund's Operations—There are no fixed limitations regarding portfolio turnover."

The extent to which the Fund invests in high yield/high risk and unrated debt may adversely affect the Fund's performance.

The Fund has not established any rating criteria for the debt securities in which it may invest. Securities rated in medium to low rating categories of nationally recognized statistical rating organizations and unrated securities of comparable credit quality, or "high yield/ high risk securities," are speculative with respect to the capacity to pay interest and repay principal in accordance with the terms of the security and generally involve a greater volatility of price than securities in higher-rated categories. These securities are commonly referred to as "junk bonds." The value of Indian debt securities held by the Fund may be expected to vary inversely in relation to fluctuations in interest rates in India. See "Risk Factors—Risks Related to the Fund's Operations—The extent to which the Fund invests in high yield/high risk and unrated debt may adversely affect the Fund's performance."

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The Fund's ability to successfully hedge against financial risks may adversely affect the Fund's net asset value.

The Fund may purchase and sell options on securities, financial futures, fixed income indices and other financial instruments, enter into financial futures contracts, enter into interest rate transactions, enter into currency transactions, enter into equity swaps and related transactions, enter into securities transactions on a when-issued or delayed delivery basis, enter into repurchase agreements, sell securities short and lend portfolio securities. Hedging involves special risks, including possible default by the other party to the transaction, illiquidity and, to the extent the Investment Manager's view as to certain market movements is incorrect, the risks that the use of hedging could result in losses greater than if they had not been used. The extent to which the Fund can engage in such investment practices in India may be limited. See "Additional Investment Activities," "Investment Objective and Policies—Other Investments" "Risk Factors—Risks Related to the Fund's Operations—The Fund's ability to successfully hedge against financial risks may adversely affect the Fund's net asset value" and "Appendix A: General Characteristics and Risks of Hedging."

The extent to which the Fund utilizes leverage to hedge against financial risks may increase its expenses and adversely affect the Fund's performance.

Although the Fund has no present intention to do so to any significant extent, the Fund may utilize leverage by borrowing or by issuing preferred stock or short-term debt securities in an amount up to 25% of the Fund's total assets. Leverage by the Fund creates an opportunity for increased return but, at the same time, creates special risks. For example, leverage may exaggerate changes in the net asset value of the Fund's common stock and in the return on the Fund's portfolio. Although the principal of any leverage will be fixed, the Fund's assets may change in value during the time the leverage is outstanding. Leverage will create expenses for the Fund that can, during any period, exceed the income from the assets acquired with the proceeds of the leverage. All expenses associated with leverage would be borne by common stockholders. Furthermore, an increase in interest rates could reduce or eliminate the benefits of leverage and could reduce the value of the Fund's securities. The Fund may also borrow by entering into reverse repurchase agreements, which will subject the Fund to additional market risk, as well as credit risk with respect to the buyer of the securities under such an agreement. See "Risk Factors—Risks Related to the Fund's Operations—The extent to which the Fund utilizes leverage to hedge against financial risks may increase its expenses and adversely affect the Fund's performance."

The anti-takeover provisions in the Fund's charter and amended and restated by-laws and certain provisions of Maryland law may limit your ability to sell your shares at a premium.

The Fund's charter and amended and restated by-laws and Maryland law contain certain anti-takeover provisions that, among other things, may have the effect of inhibiting the Fund's possible conversion to open-end status and delaying or limiting the ability of other persons to acquire control of the Fund. In certain circumstances, these provisions may also inhibit the ability of holders of common stock to sell their shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of the Fund. The Fund's Board of Directors has determined that these provisions are in the best interests of the Fund and its stockholders. See "Risk Factors—Risks Related to the Fund's Operations—The anti-takeover provisions in the Fund's charter and amended and restated by-laws and certain provisions of Maryland law may limit your ability to sell your shares at a premium."

The operating expenses of the Fund may be higher than investment companies that invest primarily in the securities of U.S. companies.

The Fund's estimated annual operating expenses may be higher than those of most other investment companies that invest predominately in the securities of U.S. companies, primarily because of the additional time and expense required of the Investment Manager and the Country Adviser in pursuing the Fund's objective of long-term capital appreciation through investing in equity securities of Indian companies. Investments in Indian equity securities require additional time and expense because the available public information regarding such securities is more limited in comparison to, and not as comprehensive as, the information available for U.S. equity securities. In addition, brokerage commissions, custodial fees and other fees are generally higher for investments in foreign securities markets. As a result of these higher expected

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operating expenses, the Fund needs to generate higher relative returns to provide investors with an equivalent economic return. See Risk FactorsRisks Related to the Funds OperationsThe operating expenses of the Fund may be higher than investment companies that invest primarily in the securities of U.S. companies.

Future market disruptions resulting from terrorist attacks in the United States and elsewhere or U.S. military action abroad could negatively and adversely affect the market for the Funds common stock.

Terrorist attacks and related events have led to increased short-term market volatility. Moreover, the ongoing U.S. military and related action in Iraq and other events in the Middle East could have significant adverse effects on U.S. and world economies and markets. The Fund does not know how long the securities markets will continue to be affected by these and other geopolitical events and cannot predict the effects of military action or similar events in the future on the U.S. economy and securities markets. A disruption of the U.S. or world financial markets could affect interest rates, secondary trading, ratings, credit risk, inflation and other factors relating to the Funds common stock. See Risk FactorsRisks Related to the Funds OperationsFuture market disruptions resulting from terrorist attacks in the United States and elsewhere or U.S. military action abroad could negatively and adversely affect the market for the Funds common stock.

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SUMMARY OF EXPENSES

Stockholder transaction expenses	
Sales load	None
Dividend reinvestment and cash purchase plan fees	*
Repurchase offer fees	2.00%**
Offering costs (1)	0.04%
Annual expenses (as a percentage of average net assets attributable to common stock)	
Management fees (2)	0.96%
Interest payments in borrowed funds	None
Other expenses (3)	0.37%
Total annual expenses (3)	1.34%

Example

The following example demonstrates the projected dollar amount of total cumulative expense that would be incurred over various periods with respect to a hypothetical investment in the Fund. These amounts are based upon payment by the Fund of investment management and advisory fees and other expenses at the levels set forth in the above table.

	1 Year	3 Years	5 Years	10 Years
You will pay the following expenses on a $1,000 investment, assuming a 5% annual return:	$ 14	$ 42	$ 73	$ 161

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* Participants in the Fund's dividend reinvestment and cash purchase plan pay only transaction-based charges. Actual costs will vary for each participant depending on the nature and number of transactions made. See "Dividends and Distributions; Dividend Reinvestment and Cash Purchase Plan."

** Participants in the Fund's repurchase offers pay a repurchase fee of up to 2% of the value of the shares repurchased. See "Semi-Annual Repurchases of Securities."

(1) These costs include those incurred in connection with this offer, which are estimated at $644,235.15 or approximately 0.19% of the total estimated net proceeds of the offer without giving effect to the issuance of additional shares pursuant to the over-subscription privilege.

(2) The percentage shown is based upon the net assets of the Fund at June 16, 2006 and after giving effect to this offer (excluding the issuance of additional shares pursuant to the over-subscription privilege) and reflects the effects of breakpoints in the management fee schedule for assets in excess of $500 million.

(3) Based upon estimated expenses for the current fiscal year after giving effect to this offer (excluding the issuance of additional shares pursuant to the over-subscription privilege). Total expenses for the fiscal year ended December 31, 2005 before income taxes were 1.49% of average net assets.

This example further assumes that the percentage amounts listed under Annual Expenses in the table above remain the same in the years shown, the reinvestment of all dividends and distributions at net asset value and the full exercise of all the rights. The above tables and the assumption in the example of a 5% annual return and reinvestment at net asset value are required by regulation of the U.S. Securities and Exchange Commission, which we refer to as the "SEC," and are applicable to all investment companies, and the assumed 5% annual return is not a prediction of, and does not represent, the projected performance of the Fund's common stock. In addition, although the example assumes reinvestment of all distributions at net asset value, this may not be the case for participants in the dividend reinvestment and cash purchase plan. See "Dividends and Distributions; Dividend Reinvestment and Cash Purchase Plan."

We have prepared the foregoing table and example to assist you in understanding the various costs and expenses that you will bear, directly or indirectly. You should not consider this example or the foregoing table as a representation of future expenses or rate of return. The Fund's actual expenses may be more or less than those shown.

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FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the Fund’s financial performance for the periods presented and reflects financial results for a single Fund share. The information for each of the years presented, except for “Total Investment Return Based on Net Asset Value,” has been derived from financial statements audited by PricewaterhouseCoopers LLP, the Fund’s independent registered public accounting firm, whose report is included in the Fund’s financial statements which are incorporated by reference in this prospectus. The following information should be read in conjunction with the financial statements and notes, which legally form a part of this prospectus and are available upon request.

	Years ended December 31,				
	2005**	**2004**	**2003**	**2002**	**2001**
Per Share Operating Performance					
Net asset value, beginning of period	$ 28.47	$ 23.76	$ 12.72	$ 11.93	$ 16.18
Net investment income (loss)	0.04(1)	0.08(1)	0.11(1)	0.09	0.07
Net realized and unrealized gain (loss) on investments, foreign currency holdings, and translation of other assets and liabilities denominated in foreign currency	11.35	6.14	11.00(1)	0.76	(4.29)
Income tax expense	(0.80)(2)	—	—	—	—
Net increase (decrease) from investment operations	10.59	6.22	11.11	0.85	(4.22)
Less: dividends and distributions					
Net investment income	(0.06)	(0.01)	(0.13)	(0.09)	(0.07)
Short term capital gains	(0.51)	—	—	—	—
Long term capital gains	(3.89)	(1.51)	—	—	—
Total dividends and distributions	(4.46)	(1.52)	(0.13)	(0.09)	(0.07)
Capital Share Transactions					
Anti-dilutive effect of Share Repurchase Program	(0.01)	0.01	0.06	0.01	0.04
Anti-dilutive effect of Tender Offer	—	—	—	0.02	—
Dilutive effect of Rights Offer	(0.52)	—	—	—	—
Total capital share transactions	(0.53)	0.01	0.06	0.03	0.04
Net asset value, end of period	$ 34.07	$ 28.47	$ 23.76	$ 12.72	$ 11.93
Per share market value, end of period	$ 39.73	$ 29.63	$ 25.20	$ 10.59	$ 9.50
Total investment return based on market value (3)	49.32%	23.51%	139.04%	12.36%	(20.69)%
Total investment return based on net asset value (3)	35.12%	26.34%	88.44%	10.79%	(27.70)%
Ratios/Supplemental Data					
Net assets, end of period (in 000s)	$ 1,083,714	$ 644,672	$ 556,811	$ 350,838	$ 366,491
Ratios of expenses after income taxes to average net assets	4.13%	1.64%	1.76%	1.73%	1.70%
Ratios of expenses before income taxes to average net assets	1.49%	1.64%	1.76%	1.73%	1.70%

Ratios of net investment income (loss) to average net assets	0.12%	0.33%	0.72%	0.65%	0.57%
Portfolio turnover	50.28%	35.90%	33.89%	39.36%	16.06%

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	Years ended December 31,				
	2000	**1999**	**1998**	**1997***	**1996**
Per Share Operating Performance					
Net asset value, beginning of period	$ 23.21	$ 8.85	$ 8.11	$ 7.56	$ 8.94
Net investment income (loss)	(0.16)	(0.10)	(0.03)	(0.03)	0.02
Net realized and unrealized gain (loss) on investments, foreign currency holdings, and translation of other assets and liabilities denominated in foreign currency	(7.27)	14.36	0.77	0.58	(1.39)
Income tax expense	□	□	□	□	□
Net increase (decrease) from investment operations	(7.43)	14.26	0.74	0.55	(1.37)
Less: dividends and distributions					
Dividends from net investment income	□	□	□	□	(0.01)
Distributions from net realized gains	□	□	□	□	□
Total dividends and distributions	□	□	□	□	(0.01)
Capital Share transactions					
Anti-dilutive effect of Share Repurchase Program	0.40	0.10	□	□	□
Anti-dilutive effect of Tender Offer	□	□	□	□	□
Dilutive effect of Rights Offer	□	□	□	□	□
Total capital share transactions	0.40	0.10	□	□	□
Net asset value, end of year	$ 16.18	$ 23.21	$ 8.85	$ 8.11	$ 7.56
Per share market value, end of year	$ 12.06	$ 16.75	$ 6.31	$ 7.37	$ 7.62
Total investment return based on market value (3)	(27.99)%	165.35%	(14.41)%	(3.28)%	(14.08)%
Total investment return based on net asset value (3)	(30.29)%	162.26%	9.12%	7.28%	(15.34)%
Ratios/Supplemental Data					
Net assets, end of period (in 000s)	$ 504,769	$ 768,948	$ 300,523	$ 275,814	$ 257,156
Ratios of expenses after income taxes to average net assets	1.59%	1.84%	2.03%	1.98%	2.03%(4)
Ratios of expenses before income taxes to average net assets	1.59%	1.84%	2.03%	1.98%	2.03%(4)
Ratios of net investment income (loss) to average net assets	(0.75)%	(0.68)%	(0.34)%	(0.37)%	0.22%(4)
Portfolio turnover	19.24%	18.65%	28.85%	42.61%	33.57%

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* Barclays Global Investors International Inc., formerly known as Barclays de Zoete Wedd Investment Management Inc., served as the Fund□s investment adviser until August 1, 1997.

** Advantage Advisers, Inc. (□Advantage Advisers□), a subsidiary of Oppenheimer Asset Management Inc. and an affiliate of Oppenheimer & Co. Inc. served as the Fund□s investment adviser from August 1, 1997 to December 4, 2005.

(1) Based on average shares outstanding.

(2)

A provision of $25,507,350 has been made for U.S. Federal income tax purposes in the Fund's 2005 financial statements. This provision has been made as the Fund may not have qualified as a regulated investment company under Subchapter M of the Internal Revenue Code for the taxable year ended December 31, 2004. See "Taxation—The Fund."

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(3) Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last day of each period reported, except that for the period ended December 31, 1994, total investment return is based on a beginning of period price of $14.02 (initial offering price of $15.00 less underwriting discount of $0.98). Dividends and distributions, if any, are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions or sales charges and is not annualized.

(4) Includes expense waivers by The Bank of New York, as custodian. If such expenses had not been waived, the ratio of expenses to average net assets and the ratio of net investment income to average net assets would have been 2.12% and 0.13%, respectively, for the year ended December 31, 1996.

THE FUND

The Fund, which was incorporated in Maryland on December 27, 1993, is a non-diversified, closed-end management investment company registered under the 1940 Act. 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. Under normal market conditions, at least 80% of the Fund's total assets are invested in the equity securities of Indian companies. These are fundamental policies that may not be changed without the approval of a majority of the Fund's outstanding voting securities. The Fund cannot assure that its investment objective will be realized. Due to the risks inherent in international investments generally, you should consider the Fund as a vehicle for investing a portion of your assets in foreign securities markets and not as a complete investment program.

INVESTMENT IN INDIA

The Fund's investment objective and policies reflect the Investment Manager's opinions that economic and political developments and changes in the last several years have well positioned India to experience a period of significant economic growth. The Investment Manager believes that India should grow as an economic force over the next ten years and that investment in its securities markets offers significant potential returns. For a detailed description of India and its securities market, see "Appendix B: Republic of India" and "Appendix C: The Indian Securities Market."

Background

Foreign investment in Indian securities is regulated by the Foreign Exchange Management Act, 1999 and the rules, regulations and notifications issued thereunder. This Act is the principal legislation that governs foreign investment and foreign exchange transactions in India.

In 2000, the Reserve Bank of India issued the Indian Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, which we refer to as the "FEMA regulations," to regulate the issue of Indian securities to persons who reside outside India and the transfer of Indian securities by or to such persons. As a non-resident of India, the Fund must comply with FEMA Regulations. Under the FEMA regulations, a foreign investor may invest in Indian securities through the foreign direct investment route. Under the foreign direct investment route, investment may be made through the "automatic" route, which does not require the prior approval of the Reserve Bank of India/Foreign Investment Promotion Board, subject to certain conditions, or through the "approval" route, which requires the prior permission of the Reserve Bank of India/Foreign Investment Promotion Board but which is nonetheless subject to government-imposed foreign investment restrictions in certain economic sectors. The FEMA regulations also prescribe rules for the transfer of Indian securities between foreign, domestic, Indian and non-Indian security holders. Such transfers often require the approval of either the Indian government or the Reserve Bank of India.

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Investments by Foreign Institutional Investors

A foreign investor may also invest in Indian securities through the foreign institutional investment route. Foreign institutional investors and sub-accounts thereof are regulated by the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 which we refer to as the FII Regulations.

Foreign institutional investors and sub-accounts wishing to invest and trade in Indian securities in India are required to register with SEBI and obtain special permission from the Reserve Bank of India. Once qualified under applicable Indian law, a foreign institutional investor or its sub-account, subject to the restrictions noted below, may:

- buy and sell securities of Indian companies;
- realize capital gains on investments;
- participate in rights offerings for shares;
- appoint a domestic custodian for custody of investments made; and
- repatriate capital, capital gains, dividends, interest income and any proceeds received in connection with the sale of Indian securities.

Under applicable Indian law, a foreign institutional investor or a sub-account may only invest in the following Indian securities:

- securities in the primary and secondary Indian markets including shares, debentures and warrants of Indian companies;
- securities of Indian mutual funds;
- government securities;
- derivatives traded on a recognized Indian stock exchange; and
- commercial paper.

Investments by all foreign institutional investors and sub-accounts under the FEMA Regulations in the primary and secondary markets are subject to an aggregate ceiling of 24% of the equity capital or the value of each series of convertible debentures of any Indian company, with certain exceptions. This ceiling can be increased to the applicable statutory cap by a board resolution of the Indian company. The ceiling would apply to the total holdings of foreign institutional investors collectively in an Indian company. The FII Regulations prescribe that each broad based foreign institutional investor investing on its own behalf or on the behalf of its sub-account (broad based) can invest up to 10% of the equity capital of an Indian company. A foreign corporate or individual sub-account can invest only up to 5% of the equity capital of an Indian company. Investments by the foreign institutional investor made in its own behalf would be registered in the name of the foreign institutional investor while investments by the sub-accounts in Indian securities may be registered in the name of either the foreign institutional investor or the sub-account.

Foreign institutional investors are also limited in their ability to invest in certain industries, such as the banking sector. In such industries, there is often a ceiling on total foreign holdings, against which holdings of foreign institutional investors are counted. To the extent that the ceiling has been reached in that industry, further investment by foreign institutional investors may not be permitted.

If a foreign institutional investor or a sub-account wishes to invest in securities through the Indian secondary market, it must, with certain exceptions, conduct its securities transactions through brokers certified by SEBI.

With some exceptions, the total investments in equity and equity-related instruments, such as convertible debentures and tradeable warrants, made by a foreign institutional investor, whether on account of itself or its sub-accounts, cannot be less than 70% of the aggregate of all the investments of the foreign institutional investor in India, made on its own or through its various sub-accounts. Additionally, applicable Indian law

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imposes aggregate investment limitations on the dollar amount of certain Indian securities held by a foreign institutional investor.

A foreign institutional investor or a sub-account may issue, deal in or hold any off-shore derivative instruments such as participatory notes, equity-linked notes or other similar instruments against underlying securities listed or proposed to be listed on an Indian stock exchange, only to entities which are regulated by a relevant regulatory authority in the country of their incorporation or establishment, subject to the compliance of “know your client” requirements. Further such off-shore derivative instruments shall not be issued to, (i) any unregulated entity, (ii) persons resident in India, (iii) non-resident Indians, (iv) overseas corporate bodies which are owned or controlled by non-resident Indians, or (v) persons of Indian origin. Further, a foreign institutional investor/sub-account shall ensure that there is no further downstream issue or transfer of any offshore derivative instrument to any person other than a regulated entity. Moreover, a foreign institutional investor is required to disclose periodically certain information relating to off-shore derivative instruments entered into by such foreign institutional investor or its sub-accounts with respect to Indian securities such as the name of the parties involved, and the principal terms of, such off-shore derivative transactions.

SEBI rules impose limits on ownership by (i) “persons resident in India,” (ii) “non-resident Indian,” (iii) “persons of Indian origin” or (iv) “overseas corporate bodies” of shares of certain foreign institutional investor sub-accounts. See “Appendix C—Regulatory Structure—Restricted Persons.” Such limits could apply to Fund shares.

At present, foreign institutional investor registrations are granted for five-year periods and may be renewed for further five-year periods by SEBI. The registration for each sub-account must be renewed upon renewal of the relevant registration if the sub-account intends to continue investing in India. The Investment Manager is registered with SEBI as a foreign institutional investor to invest in India on behalf of the Fund, its sub-account, and its other approved clients. If not renewed, the Investment Manager will explore other avenues of investment which may be available at that time, which may include a trust or other arrangement for investment established under Indian law.

Registered foreign institutional investors and sub-accounts are generally subject to tax under Section 115AD of the Indian Income Tax Act of 1961. There is uncertainty under Indian law as to the tax regime applicable to foreign institutional investors or sub-accounts that hold and trade in American depositary shares. See “Taxation—Indian Taxes.”

Pricing Regulations in Relation to Acquisition of Shares Through Secondary Purchase

Generally, for transfers of shares between residents and non-residents resulting from purchase or sale transaction, no prior permission of the Foreign Investment Promotion Board or the Reserve Bank of India is required if the transfer of shares is done in compliance with the guidelines issued by the Reserve Bank of India and the price for such transfer is in accordance with the pricing guidelines issued by the Reserve Bank of India. The Reserve Bank of India pricing guidelines prescribe a floor price in relation to transfer of shares from a resident to a nonresident, and a cap in relation to the transfer of shares from a non-resident to a resident.

Exchange Controls

A foreign institutional investor or its sub-account may open both foreign currency denominated accounts and “special non-resident rupee” accounts with Indian banks, and any amount that the investor or its sub-account transfers between these accounts may occur at the prevailing rate of exchange. However, under rules and policies promulgated by the Reserve Bank of India, a foreign institutional investor or its sub-account may only invest in Indian securities out of its special non-resident rupee account. In addition, it may only repatriate amounts from its foreign currency account after its designated bank or custodian has deducted and paid all withholding taxes relating to any capital gains.

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THE OFFER

Terms of the Offer
The Fund is offering to stockholders of record as of the close of business on July 3, 2006 non-transferable rights to subscribe for 10,565,220 shares of common stock of the Fund. The Fund may increase the number of shares of common stock subject to subscription by up to 25% of the shares, or up to 2,641,305 additional shares, for an aggregate total of 13,206,525 shares.

Each stockholder is being issued one right for each whole share of common stock owned on the record date. The rights entitle you to acquire at the subscription price one share for each three rights held. You need three rights to purchase one share at the subscription price. The Fund will not issue fractional shares upon the exercise of less than three rights.

Rights may be exercised at any time during the subscription period, which commences on July 3, 2006 and ends at 5:00 p.m., Eastern daylight time, on August 4, 2006, unless extended by the Fund to not later than August 11, 2006 or terminated early as described herein (such date, as it may be extended, is referred to in this prospectus as the “expiration date,” and such period, as it may be extended, is referred to in this prospectus as the “subscription period”). See “—Expiration, Extension and Early Termination of the Offer” below. A stockholder’s right to acquire one additional share for each three rights held during the subscription period at the subscription price is referred to as the “primary subscription.” The rights are evidenced by subscription certificates, which will be mailed to subscribing stockholders.

In addition, any stockholder who fully exercises all rights issued to him or her is entitled to subscribe for additional shares, which were not otherwise subscribed for in the primary subscription, at the subscription price, which we refer to as the “over-subscription privilege.” Shares acquired pursuant to the over-subscription privilege are subject to allotment and may be subject to increase, which is more fully discussed below under “—Over-Subscription Privilege.”

The subscription price will be equal to 95% of the net asset value per share of the Fund’s common stock at the close of business on the date on which the offer expires.

Because the expiration date and the date upon which the price of the rights will be determined will be the same date, stockholders who exercise their rights will not know the purchase price of the shares when they make their investment decision. If the market price of the Fund’s common stock is below the subscription price, it may not be in your interest to participate in this offering. Once you subscribe for shares and the Fund receives payment or a guarantee of payment, you will not be able to change your decision.

The rights are non-transferable. Therefore, only the underlying shares, and not the rights, will be listed for trading on the NYSE.

Purposes of the Offer
The Board of Directors of the Fund has determined that it would be in the best interests of the Fund and its stockholders to increase the assets of the Fund through this offer.

In consultation with the Investment Manager, the board determined that this offer may provide the following benefits:

- A greater ability to take advantage of investment opportunities without being required to sell current portfolio positions that the Investment Manager believes should be retained.
- Additional investment flexibility, including the ability to diversify the Fund by investing in a greater number of mid-capitalization companies.
- Additional opportunity to capitalize on attractive investment opportunities in India, including initial public offerings, privatizations and preferential allotments.
- Improved market visibility for the Fund.

- Improved liquidity of the trading market for the Fund's shares on the NYSE.

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- An opportunity for existing stockholders by providing them with an opportunity to purchase additional shares potentially at a price below the current market price without incurring significant transaction costs.

Prior to reaching this conclusion, the Fund's Board of Directors, in consultation with the Investment Manager and others, reviewed the structure, timing and terms of this offer, as well as its dilutive effect on both stockholders who exercise their rights and those who do not and other potentially adverse consequences resulting from this offer. The Board of Directors also considered the fact that the Fund's semi-annual repurchase offers will tend to diminish assets over time and that that diminution in assets will offset in whole or in part the potential benefits discussed above. After careful consideration, the Board of Directors voted unanimously to approve the terms of this offer. However, there can be no assurance that the offer will provide any of the benefits listed above.

Two of the Fund's Directors who voted to authorize this offer are affiliated with the Investment Manager and the Country Adviser, and therefore could benefit indirectly from this offer. The other six Directors are not "interested persons" of the Fund within the meaning of the 1940 Act. Subject to certain conditions as noted above, the Investment Manager, as well as the Country Adviser, may also benefit from this offer because their fees will be based on the net assets of the Fund. The Fund's Board of Directors considered this in its evaluation of the offer and determined that, in its business judgment, these increased fees were offset by the potential benefits of the offer to the Fund and its stockholders. See "Investment Management and Other Services." It is not possible to state precisely the amount of additional compensation the Investment Manager and the Country Adviser might receive as a result of this offer because it is not known how many shares will be subscribed for and because the proceeds of this offer will be invested in additional portfolio securities, which will fluctuate in value. However, assuming that the value of the Fund's assets remained constant prior to the offer at $1.064 billion (its approximate value as of June 16, 2006) and after the offer at $1.485 billion (which assumes that all rights are exercised at the estimated subscription price, including the additional shares that may be issued under the over-subscription privilege), the annual compensation received by the Investment Manager and the Country Adviser would increase by approximately $4.438 million (including fees paid to the Investment Manager in its capacity as the Fund's Administrator) and $420,400, respectively. The Country Adviser's fee is paid by the Investment Manager and not directly by the Fund.

The Fund has no current plans to make additional rights offerings. However, the Fund may, in the future, choose to make additional rights offerings if the Fund's Board of Directors determines that a rights offering would be in the best interests of the Fund and its stockholders and would result in a net benefit to the stockholders. Any such future rights offerings, if any, will be made in accordance with the then-applicable requirements of the 1940 Act and the U.S. Securities Act of 1933, as amended (the "1933 Act").

There can be no assurance that the Fund or its stockholders will achieve any of the foregoing objectives or benefits through this offer.

Over-Subscription Privilege

If some stockholders as of the record date do not exercise all of the rights initially issued to them, any shares for which subscriptions have not been received from stockholders will be offered by means of the over-subscription privilege to those stockholders as of the record date who have exercised all of the rights initially issued to them and who wish to acquire additional shares. Stockholders who exercise all of the rights initially issued to them should indicate on the subscription certificate how many shares they are willing to acquire through this over-subscription privilege. If sufficient shares are available, all over-subscription requests will be honored in full. If sufficient shares are not available to honor all requests for over-subscription, the Fund may increase the number of shares available by up to 25%, or 2,641,305 shares in order to satisfy over-subscription requests.

To the extent that there are not sufficient shares to honor all over-subscription requests,