Tulsi Tanti made his fortune building windmills, not tilting at them. But executives at French nuclear energy giant Areva might be forgiven for conjuring images of Don Quixote when the 49-year-old Indian entrepreneur squared off against them this year for control of Germany's leading wind-turbine manufacturer. Areva—controlled by the French government and boasting annual revenue of $13.7 billion—is one of the world's most powerful power companies. Tanti's Suzlon Energy is a family-owned venture, barely a decade old.

But Tanti's bid for Hamburg-based REpower was anything but quixotic. Back home in India, Tanti had reinvented the model for selling wind power, forsaking the fragmentation typical of the global industry for an end-to-end approach consolidating the entire process—surveying and purchasing sites for wind farms, building and maintaining turbines, and even distributing the power—under a single corporate roof. Suzlon's sales were soaring, its stock hitting record highs on India's stock exchange, and foreign bankers were tripping over one another to lend Tanti money. When Areva, which already owned 30% of REpower, offered $148 a share for the remaining stake, Tanti outbid the French Goliath, then outmaneuvered it at every turn. By May, Areva conceded defeat, clearing the way for Tanti to lock up 86% of REpower in a deal valued at $1.7 billion. To hear Tanti tell it, the contest's outcome was never in doubt.

"I can take a company with a 4% margin and turn it into a company with a 20% margin. They can't," he says with a shrug, sipping a glass of watermelon juice between meetings in Mumbai. "So I knew from the beginning: Whatever they offered, I could pay much more."

These days Tanti isn't the only Indian executive who feels the wind at his back. Buoyed by a robust economy, a booming stock market, and the sharp appreciation of the rupee, India's flagship firms are pushing beyond their home market into the wider world. Once sheltered from overseas competition by a government fearful of foreign domination, Indian companies now are building global empires with impressive speed, ramping up exports, striking cross-border corporate alliances, snapping up firms in the U.S., Europe, and emerging markets, and attracting billions in foreign portfolio capital to India.

India's largest IT-services companies, which count on foreign customers for more than 90% of sales, remain at the vanguard of India's outward expansion. In little more than a decade, firms like Wipro, Infosys Technologies, and Tata Consultancy Services have evolved from niche players handling basic debugging projects for foreign multinationals into giants in their own right, with operations in every major foreign market, tens of thousands of employees, and equity valuations in the tens of billions of dollars. But Indian manufacturers are going global too. Consider Bharat Forge in Pune: After six foreign acquisitions in three years, Bharat has emerged as the world's second-largest manufacturer of axle beams, crankshafts, and other forged auto components. CEO Baba Kalyani says he's ready to spend another $250 million on foreign acquisitions and expects to overtake Germany's ThyssenKrupp as industry leader by the end of next year. Across town Bajaj Auto, squeezed by competition from Japanese motorcycle manufacturers in the Indian market, has repositioned itself as the premium-brand leader at home—and is now taking the battle back to Japanese and Chinese rivals in markets like Indonesia, Egypt, and Brazil. Ranbaxy Laboratories, India's largest pharmaceutical company, manufactures generic drugs in 11 countries, distributes and markets them directly in 49, and counts on foreign markets for 80% of its revenue. CEO Malvinder Singh touts Ranbaxy as India's first true multinational. "Our headquarters may be in India," he says, "but we have learned to operate locally and in a very decentralized manner."

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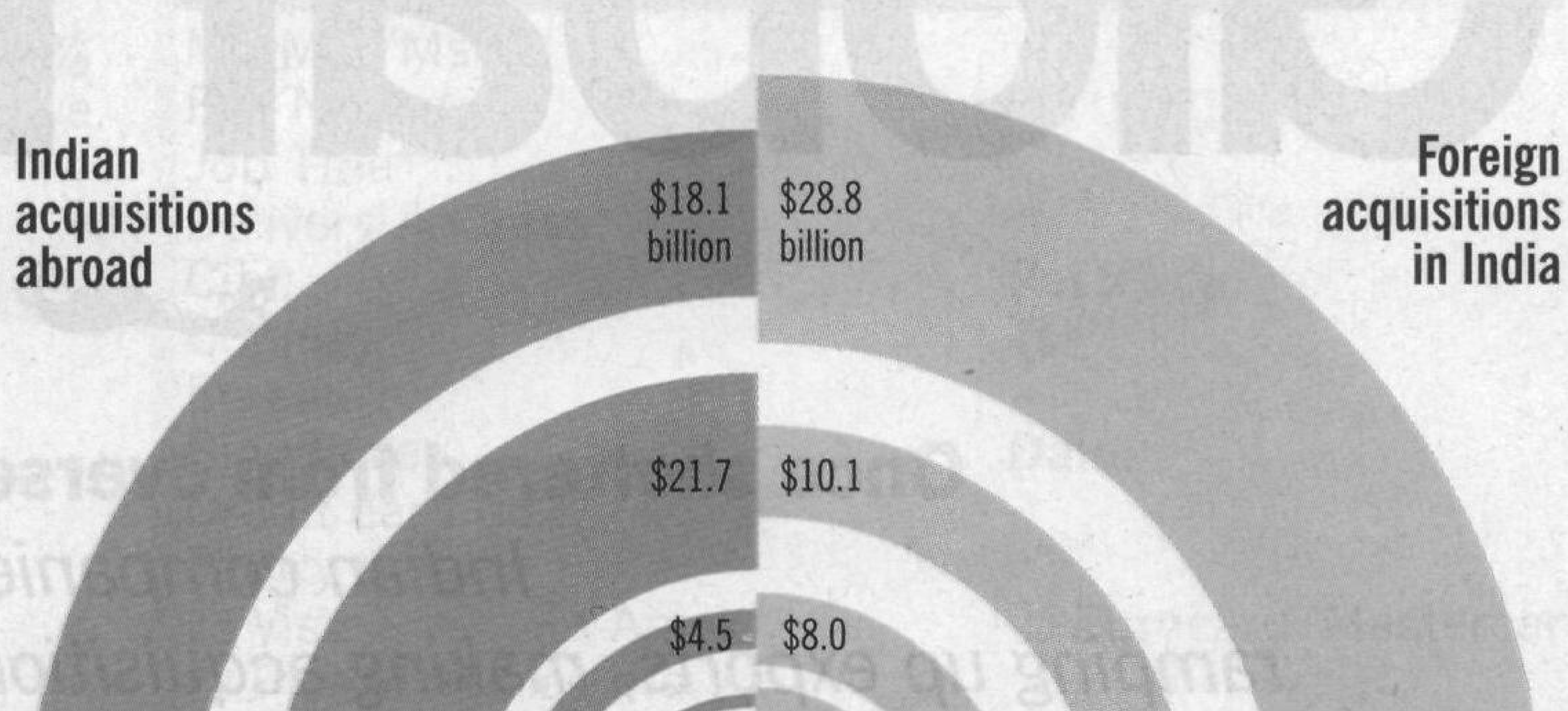
Two-way Traffic

Investments into and out of India have expanded dramatically.



SOURCE: DEALOGIC

*Data through Oct. 8, 2007.