Capital budgeting process is a multi-faceted activity through which new investment projects are initiated, forecast the benefits and costs, evaluated, authorized and controlled. If this process is well-done, there is no doubt that the value of the company is maximized. Investment projects by nature require a large proportion of capital and play a strategic role in positioning the company in the local and international markets. Therefore, corporate managers have to make sure that all investment projects should follow the sound phases/steps in the capital budgeting process. This study was conducted to investigate the capital budgeting practices taking into account all the necessary steps/phases in the capital budgeting process. It surveyed 33 companies quoted at the NSE. Most of the surveyed companies have been in operation for the last 50 to 75 years and only 67% of them had capital budgeting guiding manuals. 79% of the companies ranked the capital budgeting phases/steps during their capital budgeting process correctly. The study revealed that most new project proposals were initiated by the top management and used employees' suggestions as a method in generating new investment ideas. Most companies had a policy of both top-bottom and bottom-top approaches (73%). The most commonly used forecast technique was decision tree and only two companies (6%) considered all factors namely initial outlay, working capital, tax, inflation, depreciation, scrap value for replaced assets and expenditure during the project life during the capital budgeting process. Most of the companies used the correct approach in calculating the net cash flow and cost of capital. Risk was considered by most companies in determining the rate of return. The capital budgeting appraisal techniques have different importance levels, 58% of the companies regarded them as most important. The most commonly used capital budgeting appraisal technique was found to be NPV (42%) followed by the PBP (24%) and IRR (18%). The capital budgeting appraisal techniques employed by companies differ based on the project period, project size and type of project. The qualitative factors during the capital investment appraisal process have different importance level, 58% of the companies considered them as most important. The most important qualitative factor ranked as 1st was strategic issues (40%). The study showed that evaluation of new investment project proposals mainly rests on the Executive Management/Board Committee/Directors (40%). The size of capital expenditure was found to affect the level of authorization in authorizing capital expenditure. Most companies review and monitor their projects in quarterly followed by monthly and frequently basis. It was found that there was no direct relationship between the life of the companies and the bio data variables of the respondents namely sex, age, educational level, position held in the company, work experience and the capital budgeting appraisal techniques being employed by the companies quoted at the NSE. It is encouraging to find out that partly theory is in conformity with practice and one of the evidences is that the usage of DCF techniques such as the NPV is out weighing the NDCF traditional techniques such as the PBP which had been dominating for long. However, there is a long way to go to bring theory and practice into absolute conformity.