GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
STARRED QUESTION NO. 4
MONDAY, JULY 20, 2026/ASHADHA 29, 1948 (SAKA)

Effective Capital Outlay and Capital Expenditure

***4. Shri Rahul Singh Lodhi:**
Shri Ravindra Shukla *Alias* Ravi Kishan:

Will the Minister of FINANCE be pleased to state:

(a) the allocation for capital expenditure during the periods 2004-14 and 2014-2026;

(b) the details of 'effective capital expenditure', including grants-in-aid for creation of capital assets, for the financial years/periods 2004-14 and 2014-26;

(c) the trends in capital expenditure as a percentage of GDP during this period and its impact on infrastructure development; and

(d) the steps taken by the Government to further accelerate effective capital outlay in the coming years?

ANSWER

THE FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)

(a) to (d) A statement is laid on the Table of the House.

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POSITION No. 4

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO. 4 FOR 20TH JULY, 2026 BY SHRI RAHUL SINGH LODHI AND SHRI RAVINDRA SHUKLA *ALIAS* RAVI KISHAN REGARDING EFFECTIVE CAPITAL OUTLAY AND CAPITAL EXPENDITURE

(a) Central Government's capital expenditure during the periods 2004-14 and 2014-26 are given in the table below:

Period	Capital Expenditure
2004-14	₹ 12.39 lakh crore
2014-26	₹ 64.70 lakh crore

FY 2025-26 data is Provisional.

(b) Effective capital expenditure refers to expenditure of Central Government for asset creation and includes grants-in-aid provided to the State Governments for creation of assets such as school buildings under Samagra Shiksha, houses under PM Awas Yojana, etc. Grants for creation of capital assets are being separately depicted in the accounts starting from FY 2010-11. Hence, for FYs 2004-05 to 2009-10 the effective capital expenditure figures below are assumed to be equal to capital expenditure. Period-wise details of effective capital expenditure, is provided in table below;

(₹ in lakh crore)

Period (1)	Effective capital expenditure (2) = (3)+(4)	Grants-in-aid for creation of capital assets (3)	Capital Expenditure (4)
2004-14	17.04	4.65	12.39
2014-26	90.87	26.17	64.70

(c) The trends in capital expenditure as a percentage of GDP during this period, i.e FY 2014-26 is given in the table below. The increase in capital expenditure as a percentage of GDP has led to an increase in infrastructure development including roads, railways, urban infrastructure, energy and digital connectivity. The increased capex has led to improved logistics efficiency, generated employment and crowded-in private investment.

FY	Capex/GDP
2014-15	1.6%
2015-16	1.8%
2016-17	1.8%
2017-18	1.5%
2018-19	1.6%
2019-20	1.7%

FY	Capex/GDP
2020-21	2.1%
2021-22	2.5%
2022-23	2.7%
2023-24	3.2%
2024-25	3.2%
2025-26 (Provisional)	3.1%

Note: GDP for 2025-26 is as per New Series with base year, 2022-23

(d) Government continues to prioritise effective capital expenditure through budgetary allocation towards infrastructure and support States and UTs through the Scheme for Special Assistance to States for Capital Investment (SASCI) which includes supporting the North Eastern and Hilly States through the Pride of Hills Component, to incentivise capital expenditure. Government's steps to accelerate effective capital outlay in the coming years include focus on initiatives such as the PM GatiShakti National Master Plan, the National Logistics Policy, and the PM GatiShakti Public Platform. These have strengthened integrated planning, inter-agency coordination and technology-enabled project implementation, thereby enhancing the efficiency and quality of infrastructure development.

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