

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF EX-SERVICEMEN WELFARE
LOK SABHA
UNSTARRED QUESTION No. 4739
TO BE ANSWERED ON 20TH MARCH, 2026

BUDGET FOR ECHS

4739. SHRI RAHUL GANDHI:

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government has made budgetary allocations under the Ex-Servicemen Contributory Health Scheme (ECHS) during the last ten years and if so, the details thereof including year-wise overall budget allocation, the total dues pending, the new dues being added annually and the shortfall therein;
- (b) whether the recent audit report of the Comptroller and Auditor General (CAG) has pointed out a failure to provide ECHS with the required budgetary allocations and if so, the details thereof and the reasons therefor;
- (c) the steps taken by the Government to ensure that veterans are not denied medical treatment due to pending dues under ECHS;
- (d) whether there exists any differentiation in income tax exemption on disability pension for different categories of ex-servicemen with disability and if so, the details thereof and the rationale therefor;
- (e) whether the Government proposes to restore full income tax exemption on disability pension for all disabled ex-servicemen; and
- (f) if so, the details thereof and if not, the reasons therefor?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI SANJAY SETH)

(a) to (c) The Ex-servicemen Contributory Health Scheme (ECHS) provides cashless and capless healthcare to Ex-servicemen and other eligible beneficiaries through a wide network of polyclinics and empanelled hospitals. The number of ECHS polyclinics and empanelled hospitals under ECHS has grown over the last few years to provide better healthcare to its beneficiaries. The budget allocation for ECHS for last 10 years is enclosed as annexure.

...2/-

The processing of medical bills of empanelled hospitals and individual beneficiaries is a dynamic and time taking process. Normally, bills generated in the last months of any Financial Year gets cleared in next Financial Year. This results in some cyclic carry forward liability. Further, since the annual ECHS expenditure is growing year on year, occasional constraints in fund flow may, at times impact the payment cycle. Continuous efforts are made to manage resources optimally and to address issues in coordination with the concerned stakeholders, so as to ensure uninterrupted medical services to ECHS beneficiaries.

(d) to (f) Income Tax is not being deducted from disability pension and superannuated/ retired pensioners in receipt of applicable disability compensation in addition to Retiring/ Service Pension in compliance with Hon'ble Supreme Court Order dated 30.08.2019 in WP (C) No. 953/2019.

The exemption in respect of disability pension received by members of the armed forces who are invalided out of service on account of a disability attributable to or aggravated by military service has existed since the framework under the Income Tax-Act, 1922 as provided vide Notification No. 878-F (Income Tax) dated March 21, 1922. When the Income Tax Act, 1961 came into force, the exemption continued through the repeal and savings provisions.

With the enactment of Income-Tax Act, 2025, the earlier enactments pertaining to Income-Tax Act, 1922 and related savings provisions ceased to operate. Therefore, in the absence of an express provisions in the new Act, the exemption would have lapsed. The present provision has been included to ensure the continuation of the same exemption that existed earlier, including its scope and conditions.

**ANNEXURE REFERRED TO IN REPLY TO PART (a) TO (c) OF LOK SABHA
UNSTARRED QUESTION NO. 4739 TO BE ANSWERED ON 20.03.2026
REGARDING BUDGET ALLOCATION FOR ECHS FOR 10 YEARS**

Financial Year (FY)	Budget (in Crs)
2016-17	2896
2017-18	3928
2018-19	3198
2019-20	5199
2020-21	5321
2021-22	4870
2022-23	6929
2023-24	9880
2024-25	10928
2025-26	11000*

* Rs. 3458 Cr. additional allotment under RE of FY 2025-26 proposed for the approval of Parliament.
