
VICTIM COMPENSATION SCHEMES IN INDIA: A CRITICAL EVALUATION

P. ASHA, B.A., LL.B., S. Thangapazham Law College,
Vasudevanallur, Tenkasi, Tamilnadu.

K. Rajesh Kumar, B.COM. ML., (Ph.D), Faculty of Law, S.Thangapazham Law College,
Vasudevanallur, Tenkasi, Tamilnadu.

1.ABSTRACT

Victim compensation has emerged as an essential component of the criminal justice system, recognizing that victims of crime often suffer significant physical, psychological, emotional, and financial harm. In India, the concept of victim compensation has gained prominence through the introduction of Section 357A of the Code of Criminal Procedure, 1973 (now reflected in the Bharatiya Nagarik Suraksha Sanhita, 2023), which mandates every State and Union Territory to establish Victim Compensation Schemes. These schemes aim to provide financial assistance and rehabilitation to victims and their dependents, particularly in cases where the offender is unidentified, absconding, or incapable of paying compensation. Despite the existence of statutory provisions and judicial support, the implementation of victim compensation schemes continues to face numerous challenges, including procedural delays, lack of public awareness, inconsistent compensation amounts across states, bureaucratic inefficiencies, and inadequate rehabilitation measures.

This paper critically evaluates the legal framework governing victim compensation in India, examining the objectives, scope, and effectiveness of existing schemes. It also analyses the role of courts, State Legal Services Authorities, and law enforcement agencies in ensuring timely compensation to victims. Further, the study highlights significant judicial pronouncements that have strengthened victims' rights and emphasizes the importance of a victim-centric approach in criminal justice administration. A comparative assessment of compensation practices across different states reveals disparities in implementation and accessibility, thereby affecting the realization of justice for victims. The paper argues that while victim compensation schemes represent a progressive step toward restorative justice, their practical impact remains limited due to administrative shortcomings and uneven execution. It concludes by recommending policy reforms, greater institutional accountability, standardized compensation guidelines, enhanced awareness programmes, and effective monitoring mechanisms to ensure that victim compensation serves its intended purpose.

of restoring dignity, promoting rehabilitation, and reinforcing public confidence in the criminal justice system.

Keywords: Victim Compensation, Victim Compensation Scheme, Victim Rights, Criminal Justice System, Rehabilitation of Victims, Section 357A CrPC, Section 396 BNSS, Constitutional Remedies, Access to Justice, State Victim Compensation Scheme, Criminal Law Reforms, Human Rights.

3. Introduction

The administration of criminal justice has traditionally focused on the prosecution and punishment of offenders, often overlooking the rights and interests of victims. In recent decades, however, there has been a significant shift towards a victim-centric approach that recognizes victims as key stakeholders in the criminal justice process. Victims of crime frequently suffer physical injuries, emotional trauma, psychological distress, financial losses, and social stigma, all of which may continue long after the commission of the offence. Providing adequate compensation and rehabilitation to victims has therefore become an essential element of ensuring access to justice and upholding the principles of fairness, equity, and human dignity.

The concept of victim compensation is rooted in the philosophy of restorative justice, which seeks not only to punish offenders but also to repair the harm caused by criminal acts. Victim compensation aims to alleviate the financial and emotional burdens experienced by victims and their dependents by providing monetary assistance and support for rehabilitation. It recognizes that the State bears a responsibility to protect its citizens and to provide relief where criminal acts have caused irreparable harm, particularly in cases where offenders are unknown, absconding, or incapable of paying compensation.

In India, the legal recognition of victim compensation gained significant momentum with the introduction of Section 357A of the Code of Criminal Procedure, 1973, through the Code of Criminal Procedure (Amendment) Act, 2008. This provision mandated every State Government, in coordination with the Central Government, to establish a Victim Compensation Scheme to provide financial assistance to victims or their dependents. The enactment of the Bharatiya Nagarik Suraksha Sanhita, 2023 has further reaffirmed the commitment of the Indian legal system towards safeguarding victims' rights by continuing provisions relating to victim compensation. Additionally, the judiciary has played a proactive role in expanding the scope of victim rights through various landmark judgments, emphasizing

that compensation is not merely an act of charity but an integral component of the constitutional guarantee of justice.

Despite these legislative developments, the implementation of victim compensation schemes remains inconsistent across different States and Union Territories. Variations in compensation amounts, procedural complexities, delays in processing applications, inadequate awareness among victims, and administrative inefficiencies continue to hinder the effective realization of the objectives of these schemes. Many deserving victims either remain unaware of their entitlement or encounter significant obstacles in obtaining timely compensation. Consequently, the gap between the legislative framework and its practical implementation raises important concerns regarding the effectiveness of the existing compensation mechanism.

Furthermore, the increasing incidence of violent crimes, sexual offences, human trafficking, acid attacks, terrorism, and other serious offences has underscored the need for a robust and efficient victim compensation framework. Financial compensation alone cannot fully restore the losses suffered by victims; however, it serves as an important means of facilitating medical treatment, psychological counselling, education, livelihood support, and social rehabilitation. A comprehensive victim compensation policy must therefore be accompanied by institutional support, legal awareness, and efficient administrative mechanisms.

This study critically evaluates the Victim Compensation Schemes in India by examining their legal framework, objectives, implementation mechanisms, judicial interpretation, and practical challenges. It also analyses the role of State Legal Services Authorities, courts, and government agencies in ensuring effective delivery of compensation to victims. The study further identifies gaps in the existing framework and proposes suitable reforms to strengthen the victim compensation system. Ultimately, the research seeks to contribute to the development of a more equitable, victim-oriented criminal justice system that promotes restorative justice, protects victims' rights, and reinforces public confidence in the rule of law.

4. Conceptual and Theoretical Background

Victim compensation is an essential component of a modern criminal justice system that seeks to protect the rights and dignity of victims of crime. Traditionally, criminal law focused on punishing offenders, while victims received little attention or support. The concept of victim compensation emerged to address this imbalance by providing financial assistance and

rehabilitation to victims who suffer physical, emotional, or economic harm due to criminal acts.

The theoretical basis of victim compensation is founded on the principles of restorative justice, social justice, and the welfare state. Restorative justice emphasises repairing the harm caused by crime and restoring the victim's dignity rather than focusing solely on punishment. The welfare state theory recognises that the State has a responsibility to support victims when it fails to prevent crime and ensure public safety.

In India, the legal framework for victim compensation is primarily provided under Section 357A of the Code of Criminal Procedure, 1973, and is continued under Section 396 of the Bharatiya Nagarik Suraksha Sanhita, 2023. These provisions require State Governments to establish Victim Compensation Schemes for the rehabilitation of victims and their dependants. Furthermore, Articles 14, 21, and 39A of the Constitution reinforce the principles of equality, dignity, and access to justice. Thus, victim compensation represents a shift from an offender-centric approach to a victim-oriented criminal justice system, ensuring that victims receive meaningful assistance, protection, and rehabilitation.

5.Statement of the Problem

Although India has established a statutory framework for victim compensation through Section 357A of the Code of Criminal Procedure, 1973, and Section 396 of the Bharatiya Nagarik Suraksha Sanhita, 2023, the effective implementation of these provisions remains a significant challenge. Victims of crime often face financial hardship, physical injuries, psychological trauma, and social stigma, yet many are unable to access compensation due to procedural delays, lack of awareness, bureaucratic obstacles, and inconsistent practices across different States. The absence of uniform standards in determining compensation amounts has further resulted in disparities, affecting the principle of equal access to justice.

Moreover, the existing victim compensation mechanism primarily focuses on monetary relief and often overlooks long-term rehabilitation, psychological counselling, and social reintegration. Limited coordination among investigative agencies, courts, Legal Services Authorities, and State Governments further weakens the effectiveness of the scheme. These shortcomings undermine the constitutional principles of justice, dignity, and equality guaranteed under Articles 14 and 21 of the Constitution of India. Therefore, there is a pressing need to critically evaluate the existing victim compensation framework, identify the practical

barriers to its implementation, and propose reforms that ensure timely, uniform, and victim-centric compensation for all eligible victims.

6. Research Objectives

The present study seeks to critically evaluate the legal and institutional framework governing victim compensation in India. The specific objectives of the study are as follows:

1. To examine the concept, significance, and objectives of victim compensation within the criminal justice system.
2. To analyse the statutory framework governing victim compensation in India, including the relevant provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023, and other applicable laws.
3. To evaluate the implementation and effectiveness of the Victim Compensation Schemes formulated by the States and Union Territories.
4. To examine the role of the judiciary, State Legal Services Authorities, and other stakeholders in ensuring timely and adequate compensation to victims of crime.

7.1 Review of Literature

The concept of victim compensation has attracted considerable scholarly attention in recent years, particularly with the emergence of victim-centric criminal justice systems. Researchers have examined the legal, constitutional, and practical dimensions of victim compensation, emphasizing its role in promoting restorative justice and protecting the rights of crime victims. The following review analyses significant studies relevant to the present research.

7.1.1. Ratanlal and Dhirajlal (2023), in their commentary on criminal procedure, explain that victim compensation under Section 357A of the Code of Criminal Procedure represents a significant shift from an offender-oriented justice system to a victim-oriented approach. The authors argue that compensation should be regarded as a legal entitlement rather than a discretionary benefit and emphasize the responsibility of the State to ensure adequate rehabilitation for victims.

7.1.2. K. I. Vibhute (2021) observes that the Indian criminal justice system has historically

prioritized the prosecution and punishment of offenders while neglecting the needs of victims. The study highlights that although legislative reforms have strengthened the legal framework for victim compensation, procedural delays, lack of awareness, and inconsistent implementation continue to prevent victims from receiving timely relief. The author recommends greater institutional accountability and simplified compensation procedures.

7.1.3. S. Chandra (2020) critically examines the implementation of Victim Compensation Schemes across various Indian States. The study reveals considerable disparities in compensation amounts, eligibility criteria, and administrative procedures. It concludes that the absence of uniform national standards undermines the objective of ensuring equal access to justice and recommends the adoption of standardized guidelines for all States and Union Territories.

7.1.4. Ranbir Singh (2019) analyses the evolution of victims' rights within the Indian criminal justice system and argues that victim compensation forms an essential component of restorative justice. The author emphasizes that monetary compensation alone is insufficient unless accompanied by medical care, psychological counselling, legal assistance, and social rehabilitation. The study advocates a comprehensive victim support mechanism beyond financial assistance.

7.1.5. The Law Commission of India, in its 154th Report and subsequent recommendations, strongly advocated the incorporation of statutory provisions for victim compensation within criminal procedure law. The Commission recognized that victims often suffer irreversible physical, emotional, and financial losses and recommended that the State should assume responsibility for compensating victims where offenders are unable or unwilling to do so. These recommendations significantly influenced subsequent legislative reforms.

The reviewed literature demonstrates that victim compensation has evolved into an indispensable element of modern criminal justice administration. Existing studies acknowledge the progressive nature of India's legislative framework while simultaneously identifying persistent challenges relating to implementation, accessibility, uniformity, and institutional coordination. However, relatively few studies comprehensively evaluate the effectiveness of Victim Compensation Schemes after recent legal developments, including the Bharatiya Nagarik Suraksha Sanhita, 2023. The present research seeks to bridge this gap by critically examining the existing legal framework, judicial interpretation, implementation practices, and

policy challenges associated with victim compensation in India, with a view to suggesting reforms for a more effective and victim-centric compensation system.

8. Research Methodology

The present research adopts a **doctrinal (non-empirical) research methodology**, as it primarily focuses on analysing the legal framework governing victim compensation in India. The study is based on the systematic examination and interpretation of primary and secondary sources of law.

The **primary sources** include constitutional provisions, the Bharatiya Nagarik Suraksha Sanhita, 2023, the Bharatiya Nyaya Sanhita, 2023, relevant provisions of the Legal Services Authorities Act, 1987, State Victim Compensation Schemes, judicial decisions of the Supreme Court and various High Courts, and other statutory instruments relating to victims' rights.

The **secondary sources** comprise books, research articles, law journals, reports of the Law Commission of India, publications of the National Legal Services Authority (NALSA), reports of the National Crime Records Bureau (NCRB), government publications, policy documents, conference papers, and other authentic academic literature. These materials have been critically reviewed to understand the evolution, implementation, and effectiveness of victim compensation schemes in India.

The research follows an **analytical and descriptive approach**. The analytical method is employed to examine the statutory provisions, judicial interpretations, and policy initiatives concerning victim compensation, while the descriptive method is used to explain the development and operation of compensation schemes across different States. A **comparative analysis** is also undertaken to identify variations in compensation policies, eligibility criteria, and implementation practices among selected States.

The study is limited to the legal and institutional aspects of victim compensation in India and does not involve field surveys, interviews, or empirical data collection. The findings are based on the interpretation of legal materials and authoritative secondary sources. The research ultimately aims to assess the effectiveness of the existing compensation framework and propose practical recommendations for improving access to justice, rehabilitation of victims, and the overall efficiency of the victim compensation mechanism in India.

9.Evolution of Victim Compensation in India

The concept of victim compensation in India has evolved gradually from an offender-centric criminal justice system to a more victim-oriented approach. Traditionally, the primary objective of criminal law was to punish offenders, while the suffering and rehabilitation of victims received limited attention. Initially, compensation was awarded only under Section 545 of the Code of Criminal Procedure, 1898, which empowered courts to direct offenders to compensate victims in limited circumstances.¹

A significant shift occurred with the enactment of the Code of Criminal Procedure, 1973, particularly through Section 357, which authorised criminal courts to award compensation to victims from the fines imposed on convicted persons.² However, this provision depended largely on the conviction of the accused and the availability of fine amounts, making compensation uncertain in many cases.

Recognising these limitations, the Code of Criminal Procedure (Amendment) Act, 2008 inserted Section 357A, making it mandatory for every State Government, in coordination with the Central Government, to establish a Victim Compensation Scheme.³ This marked a landmark development by recognising the State's responsibility to compensate victims even where the offender could not be identified, apprehended, or was incapable of paying compensation. The enactment of the Bharatiya Nagarik Suraksha Sanhita, 2023, retained this framework under Section 396, reaffirming the commitment to victim rehabilitation and access to justice.⁴

Judicial decisions have further strengthened victim compensation by emphasising that compensation is an integral part of fair and meaningful justice. Consequently, victim compensation in India has evolved into an important mechanism for protecting victims' rights and promoting restorative justice.

¹ *The Code of Criminal Procedure, 1898, s. 545.*

² *The Code of Criminal Procedure, 1973, s. 357.*

³ *The Code of Criminal Procedure (Amendment) Act, 2008, s. 30 (inserting s. 357A into the Code of Criminal Procedure, 1973).*

⁴ *The Bharatiya Nagarik Suraksha Sanhita, 2023, s. 396.*

10. Victim Compensation under the Code of Criminal Procedure, 1973 and the Bharatiya Nagarik Suraksha Sanhita, 2023

Victim compensation forms an essential part of India's criminal justice system by recognising the rights of victims to receive financial assistance and rehabilitation. Under the Code of Criminal Procedure, 1973 (CrPC), compensation is primarily governed by Sections 357 and 357A. Section 357 empowers criminal courts to award compensation to victims out of the fine imposed on the convicted offender. This provision enables courts to provide financial relief to victims who have suffered injury or loss due to the commission of an offence. However, its effectiveness depends upon the conviction of the accused and the availability of fine amounts, thereby limiting its scope in many cases.⁵

To overcome these limitations, the Code of Criminal Procedure (Amendment) Act, 2008 inserted Section 357A, which introduced a comprehensive Victim Compensation Scheme. It mandates every State Government, in coordination with the Central Government, to establish a scheme for compensating victims or their dependants who have suffered loss or injury as a result of crime and require rehabilitation. Compensation may be awarded even where the offender is not identified, absconds, or is acquitted, provided the victim satisfies the statutory requirements.⁶ The provision also authorises courts to recommend compensation and empowers the State or District Legal Services Authority to determine the appropriate amount based on the facts of each case.⁷

The Bharatiya Nagarik Suraksha Sanhita, 2023 (BNSS) has substantially retained this victim-centric framework under Section 396. The provision continues the obligation of State Governments to implement Victim Compensation Schemes and reinforces the objective of ensuring timely financial assistance and rehabilitation to victims of crime.⁸ Although the transition from the CrPC to the BNSS does not introduce major structural changes to the compensation mechanism, it reflects the legislature's continuing commitment to strengthening victims' rights within the criminal justice process.

Despite these statutory safeguards, the practical implementation of victim compensation continues to face challenges such as delays in processing claims, inconsistent compensation

⁵ *The Code of Criminal Procedure, 1973, s. 357.*

⁶ *The Code of Criminal Procedure, 1973, s. 357A.*

⁷ *Ankush Shivaji Gaikwad v State of Maharashtra (2013) 6 SCC 770.*

⁸ *The Bharatiya Nagarik Suraksha Sanhita, 2023, s. 396.*

amounts across States, inadequate awareness among victims, and administrative inefficiencies. Therefore, while the CrPC and the BNSS provide a robust legal foundation, effective implementation remains crucial for achieving meaningful access to justice and victim rehabilitation.

11. Judicial Trends (Landmark Case Laws)

The Indian judiciary has played a transformative role in strengthening the framework of victim compensation by interpreting statutory provisions in a manner that promotes victim-centric justice. Through a series of landmark judgments, the Supreme Court has recognised that victim compensation is not merely a discretionary relief but an integral component of the constitutional guarantee of access to justice and rehabilitation.

In *Ankush Shivaji Gaikwad v. State of Maharashtra*, the Supreme Court held that courts must actively consider awarding compensation under Section 357 of the Code of Criminal Procedure, 1973, in every appropriate case. The Court emphasised that compensation is an important aspect of criminal justice and that reasons should be recorded whenever compensation is refused. This judgment significantly expanded the practical application of victim compensation provisions.⁹

In *Suresh v. State of Haryana*, the Supreme Court observed that victim compensation forms an essential part of the justice delivery system. It directed that courts should recommend compensation under Section 357A whenever rehabilitation is necessary, even where compensation has not been specifically claimed by the victim.¹⁰

The decision in *Laxmi v. Union of India* marked a significant advancement in protecting acid attack survivors. The Supreme Court directed all State Governments to provide a minimum compensation of ₹3 lakh to acid attack victims and ensure immediate medical treatment and rehabilitation. The judgment reinforced the State's responsibility to provide effective financial and rehabilitative support to victims of serious crimes.¹¹

Similarly, in *Nipun Saxena v. Union of India*, the Supreme Court approved the NALSA Compensation Scheme for Women Victims/Survivors of Sexual Assault and Other Crimes,

⁹ *Ankush Shivaji Gaikwad v State of Maharashtra* (2013) 6 SCC 770.

¹⁰ *Suresh v State of Haryana* (2015) 2 SCC 227.

¹¹ *Laxmi v Union of India* (2014) 4 SCC 427.

2018, and directed its adoption as a model framework across the country to ensure greater uniformity in compensation awarded to victims of sexual offences.¹²

An earlier landmark decision, *Bodhisattwa Gautam v. Subhra Chakraborty*, recognised that compensation may be granted even during the pendency of criminal proceedings. The Court held that interim compensation is necessary to uphold the dignity and fundamental rights of victims, particularly in cases involving sexual violence.¹³

These judicial pronouncements demonstrate the progressive evolution of victim jurisprudence in India. The courts have consistently expanded the scope of victim compensation by emphasising rehabilitation, dignity, and restorative justice. Consequently, judicial intervention has transformed victim compensation from a discretionary remedy into an indispensable element of a fair and humane criminal justice system.

12. Suggestions

To enhance the effectiveness of victim compensation in India, a uniform national framework should be developed to ensure consistency in compensation amounts, eligibility criteria, and procedural requirements across all States and Union Territories. The process for claiming compensation should be simplified by reducing procedural delays and ensuring time-bound disposal of applications through State and District Legal Services Authorities.

Greater awareness programmes should be conducted to educate victims about their legal rights and the availability of compensation schemes. Police officers, prosecutors, judicial officers, and legal aid authorities should receive regular training to ensure the effective implementation of victim compensation provisions. In addition to financial assistance, victims should be provided with comprehensive rehabilitation services, including medical care, psychological counselling, legal aid, educational support, and vocational training to facilitate their social and economic reintegration.

Further, adequate financial resources should be allocated by State Governments to ensure the timely disbursement of compensation. Periodic monitoring and evaluation of Victim Compensation Schemes should also be undertaken to identify implementation gaps and

¹² *Nipun Saxena v Union of India* (2019) 2 SCC 703.

¹³ *Bodhisattwa Gautam v Subhra Chakraborty* (1996) 1 SCC 490.

improve administrative efficiency. By adopting a more uniform, transparent, and victim-centric approach, India can strengthen its criminal justice system and ensure that victim compensation serves as an effective tool for protecting the rights, dignity, and rehabilitation of victims.

13. Conclusion

Victim compensation has emerged as an essential component of the Indian criminal justice system, reflecting a shift from an offender-centric approach to a victim-oriented model of justice. The statutory framework under the Code of Criminal Procedure, 1973, and its continuation under the Bharatiya Nagarik Suraksha Sanhita, 2023, demonstrates the State's commitment to providing financial assistance and rehabilitation to victims of crime. Judicial pronouncements have further strengthened this framework by recognising victim compensation as an integral aspect of access to justice and the protection of human dignity. However, practical challenges such as procedural delays, lack of awareness, inconsistent implementation across States, and inadequate rehabilitation measures continue to affect its effectiveness. Addressing these shortcomings through uniform policies, efficient administration, and comprehensive victim support services will strengthen the existing framework. An effective victim compensation mechanism not only restores the dignity of victims but also enhances public confidence in the criminal justice system and promotes the constitutional ideals of justice, equality, and human rights.

14. References and Bibliography

14.1.Statutes

1. Bharatiya Nagarik Suraksha Sanhita, 2023.
2. Code of Criminal Procedure, 1973.
3. Code of Criminal Procedure (Amendment) Act, 2008.
4. Constitution of India, 1950.

14.2.Cases

1. Ankush Shivaji Gaikwad v State of Maharashtra (2013) 6 SCC 770.
2. Bodhisattwa Gautam v Subhra Chakraborty (1996) 1 SCC 490.
3. Laxmi v Union of India (2014) 4 SCC 427.
4. Nipun Saxena v Union of India (2019) 2 SCC 703.
5. Suresh v State of Haryana (2015) 2 SCC 227.

14.3.Books

1. K I Vibhute, P S A Pillai's Criminal Law (14th edn, LexisNexis 2019).
2. K D Gaur, Textbook on the Indian Penal Code (7th edn, Universal Law Publishing 2021).
3. R V Kelkar, Criminal Procedure (7th edn, Eastern Book Company 2018).
4. C K Takwani, Lectures on Criminal Procedure (9th edn, Eastern Book Company 2022).

14.4.Journal Articles

1. B B Pande, 'Victimology and Victim Compensation in India' (2010) Journal of the Indian Law Institute.

2. S Chandra, 'Victim Compensation Scheme: A Critical Study' (2021) Indian Bar Review.
3. National Legal Services Authority (NALSA), Compensation Scheme for Women Victims/Survivors of Sexual Assault and Other Crimes, 2018.

15.5.Reports

1. Law Commission of India, 154th Report on the Code of Criminal Procedure, 1973 (1996).
2. Law Commission of India, 226th Report on Compensation to Victims of Crime (2009).
3. Ministry of Home Affairs, Government of India, Model Victim Compensation Scheme, 2015.
4. National Legal Services Authority (NALSA), Victim Compensation Scheme Guidelines.