
**ROLE OF STATE GOVERNMENTS AND LEGAL SERVICES
AUTHORITIES IN IMPLEMENTING VICTIM COMPENSATION
SCHEMES IN INDIA**

***¹Dr Jyoti Yadav, ²Anshul Trivedi**

¹Assistant Professor of Law, Amity Law School Lucknow, Amity University Uttar Pradesh
Lucknow Campus.

²Research Scholar, Amity Law School Lucknow, Amity University Uttar Pradesh Lucknow
Campus.

Article Received: 22 February 2026, Article Revised: 13 March 2026, Published on: 02 April 2026

***Corresponding Author: Dr Jyoti Yadav**

Assistant Professor of Law, Amity Law School Lucknow, Amity University Uttar Pradesh Lucknow Campus.

DOI: <https://doi-doi.org/101555/ijarp.9246>

ABSTRACT

Victim compensation represents a paradigm shift in Indian criminal jurisprudence from a primarily retributive and offender-centric justice system toward one that acknowledges the rights and needs of crime victims. This research paper examines the pivotal role played by State Governments and Legal Services Authorities in implementing victim compensation schemes across India. Through a comprehensive analysis of the statutory framework under Section 396 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (formerly Section 357A CrPC), the study evaluates the structural mechanisms, functional responsibilities, and implementation challenges that characterize India's victim compensation landscape. The paper critically examines the disparity in compensation amounts across states, procedural hurdles faced by victims, and the transformative potential of authorities like the National Legal Services Authority (NALSA) and State Legal Services Authorities (SLSAs) in ensuring timely and adequate compensation. Drawing upon judicial precedents, statutory provisions, and empirical data, this research argues that while the legal framework provides a robust foundation for victim compensation, effective implementation remains contingent upon coordinated action between state governments and legal services authorities, adequate funding, procedural simplification, and uniform standards across jurisdictions.

KEYWORDS: Victim compensation, State Governments, Legal Services Authorities, NALSA, Section 396 BNSS, Criminal Injuries Compensation, Restorative Justice

1. INTRODUCTION

The criminal justice system has traditionally been conceptualized as a dispute between the state and the offender, with the victim relegated to the periphery merely a witness in a proceeding that determines the fate of the accused. This state-centric model, inherited from colonial jurisprudence, largely ignored the suffering, loss, and rehabilitation needs of those most directly affected by crime. However, the late twentieth century witnessed a gradual but significant transformation in this orientation, driven by international human rights discourse, victimology scholarship, and judicial activism.

India's journey toward recognizing victim compensation as a state obligation reflects this broader global shift. From the narrow provisions of Section 357 of the Code of Criminal Procedure, 1973 which made compensation contingent upon conviction and the offender's capacity to pay the legal framework has evolved to establish a robust mechanism where the state assumes primary responsibility for victim rehabilitation through institutionalized compensation schemes. This transformation found statutory expression in 2009 with the insertion of Section 357A in the CrPC, now re-enacted as Section 396 of the Bharatiya Nagarik Suraksha Sanhita (BNSS), 2023.

At the heart of this new paradigm lie two institutional actors: State Governments, tasked with framing and funding compensation schemes, and Legal Services Authorities, entrusted with the critical function of determining quantum and disbursing compensation. The synergy or lack thereof between these institutions fundamentally determines whether victim compensation remains a paper entitlement or becomes a lived reality for those devastated by crime.

This paper undertakes a comprehensive examination of these institutional roles, analyzing the statutory mandate, implementation mechanisms, challenges, and judicial responses that have shaped victim compensation in India. It argues that while the legal architecture is largely sound, its effectiveness is compromised by interstate disparities, procedural complexities, inadequate awareness, and funding constraints. The paper concludes with recommendations for strengthening this vital mechanism of restorative justice.

2. Historical Evolution of Victim Compensation in India

2.1 Pre-Constitution Position

The concept of victim compensation in Indian criminal law has deep historical roots, though these remained largely undeveloped in formal legal structures. Ancient Indian jurisprudence, as reflected in the Dharmashastras, recognized the principle of restitution alongside punishment. Kautilya's Arthashastra prescribed not only fines payable to the state but also compensation to victims of crime. However, the British colonial administration imported a criminal justice model that fundamentally altered this orientation.

The Code of Criminal Procedure, 1898, contained limited provisions for compensation, primarily through Section 545, which allowed courts to order payment of fines to victims. This provision, however, suffered from two fundamental limitations: it was entirely discretionary, and it made compensation dependent on the offender's ability to pay. The victim had no independent right to claim compensation, and the state assumed no responsibility where the offender was untraced, unidentified, or indigent¹.

2.2 The Code of Criminal Procedure, 1973: Section 357

The CrPC 1973 consolidated and expanded compensation provisions through Section 357, which empowered courts to order compensation to victims from fines imposed on convicted offenders. Sub-section (3) went further, enabling courts to order compensation even when fine was not part of the sentence. The provision reflected growing recognition of victim interests but retained the fundamental limitation of linking compensation to conviction.

The Law Commission of India, in its 41st Report (1969), had recommended strengthening compensation mechanisms, observing that "the victim of crime is the forgotten man in the criminal justice system." Yet, despite this recognition, the statutory framework continued to treat victim compensation as an adjunct to punishment rather than an independent state obligation².

2.3 Judicial Activism and the Shift Toward State Responsibility

The limitations of the statutory framework became increasingly apparent through high-profile cases where victims of violent crimes, particularly women from marginalized communities, found themselves without any means of support or rehabilitation. The Supreme Court

¹ Zenodo. "A critical study on victim compensation under various Law of India." August 31, 2024. Available at: <https://zenodo.org/records/13677198>

² E. Kanungo and P. Chattoraj. "Role of the Judiciary in Victim Compensation in India – With Special Reference to Data Collected from the State of Odisha, India." *BRICS Law Journal*, 2025;12(3):151-175. Available at: <https://www.bricslawjournal.com/jour/article/view/1392>

responded through innovative use of constitutional remedies, particularly writ jurisdiction under Articles 32 and 226.

A watershed moment arrived in **Delhi Domestic Working Women's Forum v. Union of India (1995)**, where the Supreme Court lamented the plight of rape victims and noted a major shift in "penological thinking, reflecting the growing importance attached to restitution and reparation over the more narrowly retributive aims of conventional punishment"³. The Court issued comprehensive guidelines for victim assistance, including compensation, and directed the establishment of a scheme.

The constitutional basis for state liability in victim compensation was definitively established in **Nilabati Behera v. State of Orissa (1993)**, where the Supreme Court held that compensation in public law proceedings serves a distinct purpose not merely damages for civil wrong but redress for violation of fundamental rights by state functionaries. The Court asserted that the obligation to compensate victims of custodial violence and other state lawlessness flows directly from fundamental rights guarantees-8.

2.4 The 2008 Amendment: Insertion of Section 357A

The cumulative effect of judicial pressure, Law Commission recommendations (154th, 152nd Reports), and growing victim advocacy culminated in the Criminal Procedure (Amendment) Act, 2008, which inserted Section 357A into the CrPC. This provision fundamentally restructured victim compensation by:

1. Mandating every State Government to prepare a victim compensation scheme in coordination with the Central Government
2. Establishing Legal Services Authorities as the nodal agencies for determining and awarding compensation
3. Creating an independent mechanism for cases where offenders are untraced, unidentified, or acquitted
4. Providing for interim relief pending final compensation determination-5

2.5 The Bharatiya Nagarik Suraksha Sanhita, 2023: Section 396

The enactment of the BNSS 2023, which replaces the CrPC, carries forward Section 357A with modifications as Section 396. The provision retains the core structure while introducing notable refinements. Sub-section (6) explicitly empowers Legal Services Authorities to order immediate first-aid facilities or medical benefits based on police or magistrate certification,

³ Anil Malhotra. "VICTIMS COMPENSATION SCHEME." November 9, 2024. Available at: <https://www.anilmalhotra.co.in/post/victims-compensation-scheme-1>

strengthening the interim relief mechanism. The provision also mandates completion of enquiry within two months, introducing a time-bound framework that was previously absent⁴.

3. Statutory Framework: Section 396 BNSS and Victim Compensation Schemes

3.1 Textual Analysis of Section 396 BNSS

Section 396 of the Bharatiya Nagarik Suraksha Sanhita, 2023, provides the comprehensive statutory architecture for victim compensation in India. The provision reads:

- (1) Every State Government in co-ordination with the Central Government shall prepare a scheme for providing funds for the purpose of compensation to the victim or his dependents who have suffered loss or injury as a result of the crime and who require rehabilitation.
- (2) Whenever a recommendation is made by the Court for compensation, the District Legal Service Authority or the State Legal Service Authority, as the case may be, shall decide the quantum of compensation to be awarded under the scheme referred to in sub-section (1).
- (3) If the trial Court, at the conclusion of the trial, is satisfied, that the compensation awarded under section 395 is not adequate for such rehabilitation, or where the cases end in acquittal or discharge and the victim has to be rehabilitated, it may make recommendation for compensation.
- (4) Where the offender is not traced or identified, but the victim is identified, and where no trial takes place, the victim or his dependents may make an application to the State or the District Legal Services Authority for award of compensation.
- (5) On receipt of such recommendations or on the application under sub-section (4), the State or the District Legal Services Authority shall, after due enquiry award adequate compensation by completing the enquiry within two months.
- (6) The State or the District Legal Services Authority, as the case may be, to alleviate the suffering of the victim, may order for immediate first-aid facility or medical benefits to be made available free of cost on the certificate of the police officer not below the rank of the officer in charge of the police station or a Magistrate of the area concerned, or any other interim relief as the appropriate authority deems fit.
- (7) The compensation payable by the State Government under this section shall be in addition to the payment of fine to the victim under section 65, section 70 and sub-section (1) of section 124 of the Bharatiya Nyaya Sanhita, 2023.

⁴ Prashant Kanha, AOR Supreme Court. "Section-396 BNSS – Bhartiya Nagarik Suraksha Sanhita, 2023 & equivalent Cr.P.C. Section." Available at: <https://www.prashantkanha.com/section-396-bnss-bhartiya-nagarik-suraksha-sanhita-2023-equivalent-cr-p-c-section/>

3.2 Key Features of the Statutory Framework

State Obligation, Not Charity: The use of "shall" in sub-section (1) establishes compensation as a mandatory state obligation rather than discretionary charity. This mandatory character has been repeatedly affirmed by courts, which have held that eligible victims have a enforceable right to compensation.

Coordination Between Centre and States: The requirement that schemes be prepared "in co-ordination with the Central Government" creates a mechanism for some degree of uniformity while respecting federal diversity. However, as later sections will demonstrate, this coordination has been insufficient to prevent wide disparities.

Multiple Pathways to Compensation: Section 396 creates three distinct routes for accessing compensation:

- Court recommendation at trial conclusion (sub-sections 2 and 3)
- Direct application where offender untraced or unidentified (sub-section 4)
- Interim relief through police or magistrate certification (sub-section 6)

Institutional Primacy of Legal Services Authorities: The Authority at district or state level is the final arbiter of quantum, conducting enquiry and awarding compensation. This institutional location is significant, as Legal Services Authorities have wider reach and more victim-friendly procedures than courts.

Time-Bound Disposal: The two-month timeline for completing enquiry under sub-section (5) introduces accountability and addresses one of the most persistent complaints about the compensation process inordinate delays.

3.3 Schemes Framed by State Governments

Pursuant to Section 396 (formerly Section 357A), all states and union territories have framed victim compensation schemes, though with significant variations in nomenclature, coverage, quantum, and procedure. Common titles include "Victim Compensation Scheme," "Manuals on Scheme for Compensation to Victims of Crime," and specific schemes for particular categories like acid attack victims.

The Central Government has also provided financial support through the Central Victim Compensation Fund (CVCF) Scheme, allocating Rs. 200 crore as a one-time measure to states and UTs to support and supplement existing schemes and reduce disparity in quantum

of compensation⁵. The CVCF guidelines provide a framework for utilization of these funds and encourage states to effectively implement compensation schemes.

3.4 NALSA's Compensation Scheme for Women Victims

In compliance with Supreme Court directions in **Nipun Saxena v. Union of India**, NALSA formulated the "Compensation Scheme for Women Victims/Survivors of Sexual Assault/other Crimes - 2018." This scheme was circulated to all State Governments and UT Administrations for adoption in 2018-1-9.

The NALSA scheme represents a significant step toward standardization, providing a model framework that states could adopt or adapt. It specifies compensation amounts for various offences, procedures for application and disbursement, and mechanisms for monitoring implementation. However, adoption has been uneven, with some states incorporating the scheme fully, others partially, and some continuing with pre-existing frameworks⁶.

4. Role of State Governments in Implementing Victim Compensation Schemes

4.1 Constitutional and Statutory Mandate

State Governments occupy a central position in the victim compensation architecture. Under Entry 2 of List II (State List) of the Seventh Schedule, "Police" (including criminal justice administration) is a state subject. While criminal law and procedure fall under the Concurrent List, the implementation of criminal justice including victim compensation primarily engages state machinery.

Section 396(1) explicitly mandates every State Government to "prepare a scheme for providing funds for the purpose of compensation." This involves multiple responsibilities: policy formulation, legislative action (where necessary), budget allocation, administrative infrastructure, and coordination with Legal Services Authorities and district administration.

4.2 Formulation of Schemes

The primary responsibility of State Governments is to formulate comprehensive victim compensation schemes tailored to local conditions while conforming to the statutory framework. This involves:

Identifying Categories of Victims: Schemes typically specify categories of offences for which compensation is payable. Most states cover a range of violent crimes, with special

⁵ Ministry of Home Affairs, Government of India. "Compensation for Acid Attack Victims." Available at: <https://www.mha.gov.in/en/commoncontent/compensation-acid-attack-victims>

⁶ Government of Himachal Pradesh. "NALSA Compensation Scheme." Available at: https://himachal.nic.in/printcont.php?lid=24703&lang=1&dpt_id=240&level=0&linkid=5903

provisions for sexual offences, acid attacks, human trafficking, and crimes against children. Some schemes also include victims of terrorist acts and organized crime.

Determining Compensation Quantum: States prescribe compensation ranges minimum and maximum amounts for different categories of offences. This is where the most significant variation occurs. For example, compensation for rape victims ranges from Rs. 1 lakh to Rs. 10 lakhs across different states, with no uniformity in criteria for determining where within this range a particular case should fall.

Establishing Procedures: Schemes outline the process for application, documentation required, authorities to be approached, and timelines. Some states have streamlined procedures with standard application forms, while others maintain complex documentation requirements that deter victims.

Creating Institutional Mechanisms: Many states have established Criminal Injuries Compensation Boards (CICBs) at district levels to assess claims and recommend compensation. The composition and functioning of these boards vary significantly across states.

4.3 Funding and Financial Sustainability

Perhaps the most critical role of State Governments is providing adequate and sustained funding for victim compensation. Section 396(1) requires states to prepare schemes "for providing funds," making financial provision an integral part of scheme formulation.

State Governments allocate funds through annual budgets under relevant heads. However, funding patterns reveal significant challenges:

Inadequate Allocation: Despite statutory mandates, many states allocate insufficient funds for victim compensation, resulting in delays or denials. Victims often wait months or years for compensation even after authority determinations.

Underutilization of Central Funds: The Central Victim Compensation Fund (CVCF) scheme, with its Rs. 200 crore allocation, was designed to supplement state efforts and reduce disparities. However, utilization of these funds has been uneven, with some states failing to draw down available resources due to administrative bottlenecks.

Dependence on Fines and Forfeitures: Some states continue to rely significantly on fines and forfeitures collected from offenders, despite the statutory shift to state-funded compensation. This perpetuates the old model where compensation depends on conviction and offender capacity.

Lack of Dedicated Funds: In many states, victim compensation draws from general revenues rather than dedicated funds, making disbursement vulnerable to cash flow constraints and bureaucratic delays.

4.4 Coordination with Central Government and NALSA

The statutory mandate requires states to act "in co-ordination with the Central Government."

This coordination manifests in several ways:

Adoption of NALSA Schemes: States are encouraged to adopt or align their schemes with NALSA's model schemes, such as the Compensation Scheme for Women Victims/Survivors of Sexual Assault/other Crimes - 2018.

Accessing Central Funds: States must coordinate with the Ministry of Home Affairs and other central ministries to access funds under the CVCF scheme and other central initiatives.

Reporting and Monitoring: States are expected to report on implementation to central authorities, though monitoring mechanisms remain weak.

Uniformity Initiatives: The central government, through advisories and guidelines, encourages states to reduce disparity in quantum of compensation and adopt best practices.

4.5 Administrative Infrastructure and Capacity

Effective implementation requires robust administrative infrastructure at state, district, and sometimes sub-district levels. State Governments are responsible for:

District-Level Mechanisms: Most states have designated District Legal Services Authorities (DLSAs) as the primary implementing agencies, supported by district administration. Some states have established specialized bodies like Criminal Injuries Compensation Boards (CICBs) with representation from district magistrates, police, health services, and women's development departments⁷.

Training and Capacity Building: State Governments, often through State Legal Services Authorities, conduct training programs for officials involved in compensation administration judicial officers, prosecutors, police, and DLSA staff.

Awareness and Outreach: Despite statutory entitlements, awareness about victim compensation remains extremely low. State Governments have a responsibility to disseminate information through multiple channels police stations, hospitals, courts, legal aid clinics, and mass media.

⁷ SCC Online. "Once decision is made, compensation cannot be arbitrarily reduced below minimum threshold"; Delhi HC directs acid attack victim to be awarded 3 lakhs as compensation." November 29, 2024. Available at: <https://www.sconline.com/blog/post/2024/11/29/delhi-hc-directs-acid-attack-victim-awarded-3-lakhs-compensation-once-decision-made-compensation-cannot-arbitrarily-reduced-below-minimum-threshold/>

Monitoring and Evaluation: Effective implementation requires systematic monitoring of applications received, disposed, timelines, amounts awarded, and amounts actually disbursed. Few states have robust monitoring mechanisms.

4.6 Interstate Disparities: A Critical Challenge

Perhaps the most significant challenge in victim compensation implementation is the wide disparity across states in quantum, procedures, and effectiveness. A recent study published in *ScienceDirect* highlights this concern, noting that "victim compensation in India varies significantly across different states, resulting in a glaring disparity that raises concerns about fairness and equality"⁸.

Quantum Disparities: Compensation for identical offences varies dramatically. For acid attack victims, minimum compensation ranges from Rs. 1 lakh in some states to Rs. 3 lakhs in others, with the Delhi High Court recently reaffirming that the minimum threshold cannot be arbitrarily reduced³. For rape victims, the range is even wider from Rs. 1 lakh to Rs. 10 lakhs⁸.

Procedural Variations: Some states have relatively streamlined procedures with designated authorities, standard forms, and time limits. Others maintain complex, multi-layered processes that deter victims. The Delhi Victim Compensation Scheme, 2015, for instance, provides detailed criteria for determining compensation while establishing minimum thresholds that protect victims from arbitrary reduction³.

Implementation Effectiveness: Even where schemes exist on paper, actual implementation varies. Some states have functional mechanisms with regular disbursements; others have schemes that remain largely unfunded or unimplemented⁸.

Impact on Victims: The disparities create a geographical lottery where a victim's entitlement depends on the state where the crime occurred rather than the nature of injury suffered. As the *ScienceDirect* study observes, "victims from states with lower payouts face additional hardships, further exacerbating their suffering. Such disparities not only undermine the spirit of justice but also highlight the lack of a standardized approach to victim welfare across the country".

⁸ Ipsita Ojal and Dr. Varinder Kaur. "Towards equal justice: Addressing the disparity in victim compensation across Indian states." *ScienceDirect*, 2025. Available at: <https://www.sciencedirect.com/science/article/pii/S2590291125001640>

5. Role of Legal Services Authorities in Victim Compensation

5.1 Institutional Framework of Legal Services Authorities

The Legal Services Authorities Act, 1987, established a three-tiered institutional framework for providing legal aid and related services to marginalized sections. This framework has been extended to victim compensation under Section 396 BNSS, with authorities at national, state, and district levels playing distinct roles-2.

National Legal Services Authority (NALSA): The apex body, chaired by the Chief Justice of India, with responsibility for framing policies, monitoring implementation, and issuing guidelines. NALSA's role in victim compensation includes formulating model schemes (such as the 2018 scheme for women victims), coordinating with state authorities, and issuing directions for effective implementation-9.

State Legal Services Authorities (SLSAs): Headed by the Chief Justice of the respective High Court, with executive chairpersons being senior High Court judges. SLSAs are responsible for implementing legal services programs within states, including victim compensation. They exercise appellate or revisional jurisdiction over DLSA orders and handle cases involving high compensation amounts or complex issues-2.

District Legal Services Authorities (DLSAs): Chaired by the District Judge, with the Chief Judicial Magistrate or Metropolitan Magistrate as vice-chairperson. DLSAs are the frontline agencies for victim compensation receiving applications, conducting enquiries, and awarding compensation in most cases.

Taluk Legal Services Committees: At sub-district levels, these committees extend the reach of legal services to rural and remote areas, assisting victims in accessing compensation and providing legal aid⁹.

5.2 Statutory Functions Under Section 396 BNSS

Section 396 assigns specific functions to Legal Services Authorities:

Determining Quantum of Compensation: Under sub-section (2), when courts recommend compensation, the Authority "shall decide the quantum of compensation to be awarded." This involves assessing the nature of injury, loss suffered, rehabilitation needs, and other relevant factors within the framework of the state scheme.

⁹ SCC Online. "Free Legal Aid services reach citizens from Taluk to Supreme Court, says Law Ministry." February 2, 2026. Available at: <https://www.sconline.com/blog/post/2026/02/02/free-legal-aid-services-india-nalsa-monitoring-committees/>

Conducting Enquiry on Applications: Under sub-section (5), where victims apply directly (in cases where offender is untraced or unidentified), the Authority conducts "due enquiry" to determine entitlement and quantum. The enquiry must be completed within two months-5.

Awarding Interim Relief: Sub-section (6) empowers Authorities to order immediate first-aid facilities or medical benefits based on police or magistrate certification. This is crucial for addressing urgent needs while final compensation is determined-5.

5.3 The Enquiry Process

The enquiry conducted by Legal Services Authorities is the critical procedural step that translates statutory entitlement into actual compensation. While schemes vary across states, the enquiry typically involves:

Verification of Incident: The Authority must satisfy itself that a crime occurred and that the applicant is a victim or dependent. This may involve examining FIR, medical reports, witness statements, and other evidence.

Assessment of Injury and Loss: The nature and extent of physical injury, psychological trauma, loss of income, medical expenses, and rehabilitation needs are assessed. This may require medical examinations, expert opinions, or home visits.

Determining Quantum: Based on the state scheme's prescribed ranges, the Authority determines the specific amount. This requires applying criteria such as severity of injury, impact on quality of life, expenses incurred, and future needs.

Passing Orders: The Authority passes a reasoned order awarding compensation, which is then communicated to the victim and the treasury for disbursement.

5.4 Coordination with Other Agencies

Effective implementation requires Legal Services Authorities to coordinate with multiple agencies:

Police: For verification of FIR, investigation status, and certification for interim relief under Section 396(6)-5.

District Administration: For accessing funds, obtaining domicile certificates, and other administrative support.

Medical Authorities: For assessing injuries, obtaining medical reports, and facilitating treatment.

Prosecution: For case status and court recommendations.

Women and Child Development Departments: For cases involving women and children, where specialized support may be required.

5.5 Monitoring and Accountability Mechanisms

The Legal Services Authorities Act and regulations establish monitoring mechanisms to ensure accountability in victim compensation implementation. The National Legal Services Authority (Free and Competent Legal Services) Regulations, 2010, provide for Monitoring and Mentoring Committees at all tiers Supreme Court, High Courts, SLSAs, DLSAs, and Taluk Committees.

These Committees are responsible for:

- Overseeing court-based legal aid delivery
- Monitoring progress of assigned cases
- Guiding panel lawyers and Legal Aid Defense Counsels
- Maintaining registers tracking progress and outcomes
- Obtaining periodic reports and assessing performance
- Evaluating lawyer performance every six months

Monthly reporting of casework by Legal Aid Defense Counsels to NALSA ensures real-time oversight and data-driven evaluation at the national level.

5.6 Legal Aid and Victim Assistance

Beyond the specific function of awarding compensation, Legal Services Authorities provide comprehensive assistance to victims:

Legal Representation: Victims are entitled to free legal aid for claiming compensation and for proceedings related to the criminal case. DLSAs maintain panels of lawyers who represent victims without charge.

Information and Guidance: Authorities conduct legal awareness programs, establish legal services clinics, and operate literacy clubs to inform victims about their rights, including compensation entitlements¹⁰.

Counseling and Support: Many DLSAs, in collaboration with women's organizations and NGOs, provide counseling and psychosocial support to victims, recognizing that compensation is only one aspect of rehabilitation.

Facilitating Applications: DLSA staff assist victims in completing applications, gathering documentation, and navigating the compensation process critical support for victims who may be traumatized, illiterate, or unaware of procedures.

¹⁰ SCC Online. "Free Legal Aid services reach citizens from Taluk to Supreme Court, says Law Ministry." February 2, 2026. Available at: <https://www.sconline.com/blog/post/2026/02/02/free-legal-aid-services-india-nalsa-monitoring-committees/>

6. Judicial Contributions to Victim Compensation Jurisprudence

6.1 Expanding the Scope of Compensation

The Indian judiciary has played a transformative role in developing victim compensation jurisprudence, often moving ahead of statutory provisions to address gaps and ensure justice.

In **Delhi Domestic Working Women's Forum v. Union of India (1995)**, the Supreme Court laid down comprehensive parameters for rape victim compensation, including the establishment of Criminal Injuries Compensation Boards, payment of interim compensation, and uniform criteria for determining quantum.

Bodhisattwa Gautam v. Miss Subhra Chakraborty (1996) broke new ground by awarding interim compensation during the pendency of trial, holding that the court's power to grant compensation is not contingent upon conviction but flows from the need to provide relief to victims of fundamental rights violations.

In **Chairman, Railway Board v. Chandrima Das (2000)**, the Supreme Court held that rape violates fundamental rights and that the state is liable to pay compensation even where the offenders are private individuals, if the state failed in its duty to protect the victim.

6.2 Mandating State Compensation Schemes

In **Suresh v. State of Haryana (2015)**, the Supreme Court directed all states to formulate victim compensation schemes under Section 357A, noting that many states had failed to do so despite the statutory mandate. The Court emphasized that compensation is not a matter of charity but a legal entitlement.

The most significant intervention came in **Nipun Saxena v. Union of India (2019)**, where the Supreme Court issued comprehensive directions for victim compensation, particularly for sexual assault victims. The Court directed NALSA to formulate a model compensation scheme (resulting in the 2018 scheme), mandated that compensation be paid within 30 days of application, and held that interim compensation must be paid within 15 days.

6.3 Ensuring Adequate Compensation

Courts have consistently intervened where compensation awarded was inadequate or arbitrarily reduced below minimum thresholds.

In **X v. Government (NCT of Delhi) (2024)**, the Delhi High Court addressed the case of an acid attack victim who was awarded only Rs. 30,000 as interim compensation despite the Delhi Victim Compensation Scheme, 2015, prescribing a minimum of Rs. 3 lakhs for less than 50% injuries. The Criminal Injuries Compensation Board had justified the lower amount based on "5-6 percent superficial burns over legs."

The High Court firmly rejected this approach, holding that "once a decision has been made to award compensation, it cannot be arbitrarily reduced below the minimum threshold that has been provided." The Court directed payment of the minimum Rs. 3 lakhs, observing that the Board's interpretation contradicted the Scheme's intended purpose of "providing adequate rehabilitation and care to acid attack victims"-3.

6.4 Compensation as Public Law Remedy

In **Dr. Mehmood Nayyar Azam v. State of Chhattisgarh (2012)**, the Supreme Court elucidated the distinction between private law damages and public law compensation. The Court held that when constitutional courts award compensation in writ proceedings, they do so "by way of penalising the wrong doer and fixing the liability for the public wrong on the State which has failed in its public duty to protect the Fundamental rights of the citizens." Such compensation is not understood "as it is generally understood in a civil action for damages under the private law but in the broader sense of providing relief by and order of making monetary amends under the public law for the wrong done due to breach of public duty by not protecting the fundamental rights of the citizen"-8.

6.5 Caution Against Mechanistic Reduction of Sentences

The Supreme Court has also sounded notes of caution regarding the relationship between compensation and punishment. In **Parameshwari v. State of Tamil Nadu (2026)**, the Court set aside a High Court judgment that had reduced substantive sentences of imprisonment to period already undergone while enhancing compensation, terming such compensation "blood money." The Court held that "compensation cannot always be treated as a substitute for a reduced sentence" and that "sentences cannot be reduced mechanically and should have a visible application of mind"¹¹.

This judgment reinforces that victim compensation under Section 396 is to be awarded in addition to, not in substitution of, appropriate punishment of offenders preserving the distinct purposes of criminal law and victim rehabilitation.

7. Implementation Challenges and Critical Analysis

7.1 Lack of Uniformity and Its Consequences

Despite the statutory framework and judicial interventions, victim compensation implementation faces persistent challenges. The most significant is the lack of uniformity across states in quantum, procedures, and effectiveness.

¹¹ Supreme Court Observer. "Compensation in Lieu of Sentencing in Criminal Trials: Parameshwari v State of Tamil Nadu." February 22, 2026. Available at: <https://www.scobserver.in/supreme-court-observer-law-reports-scolr/parameshwari-v-state-of-tamil-nadu/>

A study examining compensation data from Odisha found significant variations in amounts awarded by different DLSAs within the same state, suggesting inconsistent application of criteria even where uniform schemes exist. At the inter-state level, disparities are even more pronounced. A victim of identical injuries in one state may receive several times the compensation available in another state a situation fundamentally at odds with constitutional guarantees of equality.

The consequences extend beyond individual injustice. Disparities create incentives for forum shopping where possible, undermine public confidence in the justice system, and perpetuate regional inequalities in victim welfare.

7.2 Procedural Complexities and Delays

While Section 396(5) mandates completion of enquiry within two months, this timeline is rarely observed in practice. Victims face multiple procedural hurdles:

Documentation Burden: Victims must produce FIR copies, medical reports, proof of identity and residence, and numerous other documents often difficult for those who have lost everything or are hospitalized.

Multiple Authorities: The involvement of police, magistrates, medical officers, and DLSA officials creates coordination challenges and opportunities for delay.

Lack of Awareness: Most victims are unaware of their entitlement to compensation and must rely on police or court officials to inform them a system that frequently fails.

Discretionary Determinations: The absence of clear, objective criteria for determining quantum within prescribed ranges leaves room for arbitrary decisions and inconsistent outcomes.

7.3 Funding Constraints and Disbursement Delays

Even where authorities award compensation, actual disbursement is often delayed. Common reasons include:

Budgetary Shortfalls: Some states exhaust allocated funds mid-year, leaving subsequent awards unpaid until the next financial year.

Treasury Procedures: Government treasury procedures, designed for routine expenditures, are ill-suited for urgent victim compensation.

Bank Account Requirements: Compensation is typically disbursed through bank transfers, requiring victims to have bank accounts a significant barrier for marginalized victims.

7.4 Marginalized Victims and Intersectional Disadvantages

Research indicates that victims from marginalized communities Scheduled Castes, Scheduled Tribes, religious minorities, and economically weaker sections face compounded disadvantages in accessing compensation. These include:

Lower Awareness: Marginalized communities have less access to information about legal entitlements.

Distrust of Authorities: Historical experiences of discrimination create distrust of police and courts, deterring victims from pursuing claims.

Procedural Barriers: Requirements for documentation (proof of identity, residence) disproportionately exclude marginalized groups.

Bias in Determinations: Unconscious bias may affect compensation assessments, with victims from marginalized groups receiving lower awards.

7.5 Inadequate Rehabilitation Focus

Victim compensation under Section 396 is explicitly linked to rehabilitation. However, implementation often focuses narrowly on monetary payments without addressing broader rehabilitation needs:

Medical Rehabilitation: Compensation rarely covers the full cost of long-term medical care, reconstructive surgeries, or psychological counseling.

Vocational Training: For victims whose injuries affect employability, vocational rehabilitation is essential but rarely provided.

Social Reintegration: Social stigma, particularly for sexual assault victims, requires community-level interventions beyond individual compensation.

7.6 Data Gaps and Monitoring Deficits

Effective implementation requires robust data on applications, awards, disbursements, and outcomes. However, systematic data collection remains weak:

Incomplete Reporting: Not all DLSAs regularly report compensation data to SLSAs or NALSA.

No Central Database: There is no centralized database tracking victim compensation across states, making national-level assessment difficult.

Outcome Tracking: Even where award data exists, information on whether victims actually received compensation and how it affected their rehabilitation is largely absent.

The Law Ministry's recent parliamentary update acknowledged that "the data relating to pending legal aid cases is not maintained by the National Legal Services Authority"-2 a significant gap for a body responsible for monitoring implementation.

8. Recommendations for Reform

8.1 Legislative and Policy Reforms

Uniform National Framework: Parliament should consider enacting a central legislation establishing minimum standards for victim compensation, including uniform quantum ranges for specified offences, common procedures, and binding timelines. This would address interstate disparities while allowing states to supplement, not dilute, minimum entitlements.

Binding Guidelines on Quantum: NALSA should issue detailed guidelines for determining quantum within prescribed ranges, specifying criteria such as injury severity, impact on quality of life, medical expenses, loss of income, and rehabilitation needs. This would reduce inconsistency and arbitrary decisions.

Mandatory Interim Relief: Section 396(6) should be strengthened to mandate interim relief in all cases involving serious injury, with specified minimum amounts and strict timelines.

Expanded Definition of Victim: The definition of victim should explicitly include family members in cases of death or disability, and should recognize secondary victimization of witnesses and family members.

8.2 Administrative and Procedural Reforms

Simplified Application Process: States should adopt common, simplified application forms available at all police stations, hospitals, and DLSAs. Documentation requirements should be minimal, with authorities authorized to verify information directly rather than requiring victims to produce certificates.

Single Window Clearance: Each district should establish a single window clearance mechanism where victims can submit applications, receive acknowledgment, and track progress. This could be housed in DLSAs with representatives from police, health, and treasury departments.

Time-Bound Disposal with Accountability: Section 396(5)'s two-month timeline must be enforced through monitoring mechanisms. DLSAs should display application status publicly, and delays should attract explanation and corrective action.

Electronic Transfer and Tracking: Compensation should be disbursed through Direct Benefit Transfer (DBT) to victim bank accounts, with end-to-end electronic tracking from application to disbursement.

8.3 Financial Reforms

Dedicated Victim Compensation Fund: Each state should establish a dedicated, non-lapsable Victim Compensation Fund with adequate annual allocation based on projected needs. Unspent balances should automatically carry forward.

Central Support with Incentives: The Central Victim Compensation Fund should be expanded and used strategically providing incentives for states that achieve timely disposal, maintain data systems, and demonstrate effective implementation-1.

Emergency Medical Assistance: A separate emergency fund should be established at district levels for immediate medical assistance, accessible 24/7 based on police or magistrate certification.

8.4 Institutional Reforms

Strengthening Legal Services Authorities: DLSAs require enhanced capacity more staff, dedicated victim compensation officers, trained para-legal volunteers, and better infrastructure. The monitoring framework under the 2010 Regulations should be fully implemented, with regular inspections and performance assessments-2.

Specialized Boards: Criminal Injuries Compensation Boards, where they exist, should be strengthened with multidisciplinary composition including medical professionals, psychologists, and victim support experts to ensure holistic assessment.

Victim Support Coordinators: Each DLSA should have trained Victim Support Coordinators who guide victims through the entire process, from application to post-disbursement rehabilitation.

8.5 Awareness and Outreach

Mandatory Information Duties: Police, upon registering FIRs involving specified offences, should be statutorily required to provide written information about compensation schemes and facilitate applications. Hospitals should similarly inform victims of serious crimes.

Multi-Channel Awareness Campaigns: NALSA and SLSAs should conduct sustained awareness campaigns using multiple channels print, electronic, social media, and community outreach. Information should be available in all local languages and accessible formats.

Community-Based Organizations: Partnerships with NGOs, women's groups, and community-based organizations can extend outreach to marginalized communities and build trust.

8.6 Rehabilitation Beyond Compensation

Integrated Rehabilitation Plans: For victims of serious crimes, compensation should be part of comprehensive rehabilitation plans addressing medical, psychological, vocational, and social needs. DLSAs should coordinate with health, education, and social welfare departments.

Long-Term Follow-up: Mechanisms should be established for follow-up with victims to assess rehabilitation outcomes and address emerging needs.

Special Measures for Vulnerable Groups: Schemes should incorporate special measures for children, persons with disabilities, and other vulnerable groups, recognizing their distinct needs.

9. CONCLUSION

The evolution of victim compensation in India represents a significant advancement in criminal justice a shift from an exclusively offender-centric model toward one that acknowledges the rights and needs of those most directly affected by crime. Section 396 of the Bharatiya Nagarik Suraksha Sanhita, 2023, provides a robust statutory framework, establishing victim compensation as a state obligation rather than discretionary charity, and assigning clear roles to State Governments and Legal Services Authorities in its implementation.

State Governments bear the primary responsibility for framing schemes, providing funds, and creating administrative infrastructure. Their role is foundational without adequate schemes and funding, the entire edifice collapses. Legal Services Authorities, from NALSA at the apex to DLSAs at the grassroots, are the implementing agencies that translate statutory entitlements into actual compensation through enquiry, assessment, and disbursement. Their reach, victim-friendly procedures, and integration with legal aid services make them ideally suited for this role.

Yet, as this paper has documented, significant challenges persist. Interstate disparities in compensation quantum create a geographical lottery fundamentally at odds with equality principles. Procedural complexities and delays deny timely relief to those in urgent need. Funding constraints and disbursement delays mean that even awarded compensation often reaches victims months or years later. Marginalized victims face compounded disadvantages in accessing their entitlements. And the narrow focus on monetary payments often neglects broader rehabilitation needs.

Addressing these challenges requires comprehensive reform legislative, administrative, financial, and institutional. A uniform national framework establishing minimum standards would address interstate disparities while respecting federal diversity. Simplified procedures, time-bound disposal, and electronic tracking would reduce delays and enhance accountability. Adequate funding, dedicated funds, and strategic use of central resources would ensure financial sustainability. Strengthened Legal Services Authorities, specialized boards, and victim support coordinators would enhance implementation capacity. Sustained awareness campaigns and mandatory information duties would ensure that victims know their

rights. And integrated rehabilitation approaches would ensure that compensation truly serves its intended purpose restoring victims to lives of dignity and opportunity.

The ultimate test of victim compensation schemes lies not in their statutory elegance or judicial endorsement but in their impact on the ground. When a poor, marginalized victim of violent crime receives timely, adequate compensation that enables medical treatment, supports family, and facilitates rehabilitation, the system fulfills its promise. When victims are left to navigate complex procedures alone, when awards are delayed or denied, when compensation amounts vary arbitrarily by state the promise remains unfulfilled.

The framework exists. The institutions are in place. What is required now is the political will, administrative commitment, and sustained effort to transform paper entitlements into lived realities for every victim of crime in India. The role of State Governments and Legal Services Authorities in this transformation is not merely important it is indispensable.

REFERENCES

1. Ministry of Home Affairs, Government of India. "Compensation for Acid Attack Victims." Available at: <https://www.mha.gov.in/en/commoncontent/compensation-acid-attack-victims>
2. SCC Online. "Free Legal Aid services reach citizens from Taluk to Supreme Court, says Law Ministry." February 2, 2026.
Available at: <https://www.sconline.com/blog/post/2026/02/02/free-legal-aid-services-india-nalsa-monitoring-committees/>
3. SCC Online. "'Once decision is made, compensation cannot be arbitrarily reduced below minimum threshold'; Delhi HC directs acid attack victim to be awarded 3 lakhs as compensation." November 29, 2024.
Available at: <https://www.sconline.com/blog/post/2024/11/29/delhi-hc-directs-acid-attack-victim-awarded-3-lakhs-compensation-once-decision-made-compensation-cannot-arbitrarily-reduced-below-minimum-threshold/>
4. Zenodo. "A critical study on victim compensation under various Law of India." August 31, 2024. Available at: <https://zenodo.org/records/13677198>
5. Prashant Kanha, AOR Supreme Court. "Section-396 BNSS – Bhartiya Nagarik Suraksha Sanhita, 2023 & equivalent Cr.P.C. Section."
Available at: <https://www.prashantkanha.com/section-396-bnss-bhartiya-nagarik-suraksha-sanhita-2023-equivalent-cr-p-c-section/>

6. Supreme Court Observer. "Compensation in Lieu of Sentencing in Criminal Trials: Parameshwari v State of Tamil Nadu." February 22, 2026. Available at: <https://www.scobserver.in/supreme-court-observer-law-reports-scolr/parameshwari-v-state-of-tamil-nadu/>
7. Ipsita Ojal and Dr. Varinder Kaur. "Towards equal justice: Addressing the disparity in victim compensation across Indian states." *ScienceDirect*, 2025. Available at: <https://www.sciencedirect.com/science/article/pii/S2590291125001640>
8. Anil Malhotra. "VICTIMS COMPENSATION SCHEME." November 9, 2024. Available at: <https://www.anilmalhotra.co.in/post/victims-compensation-scheme->
9. Government of Himachal Pradesh. "NALSA Compensation Scheme." Available at: https://himachal.nic.in/printcont.php?lid=24703&lang=1&dpt_id=240&level=0&linkid=5903
10. E. Kanungo and P. Chattoraj. "Role of the Judiciary in Victim Compensation in India – With Special Reference to Data Collected from the State of Odisha, India." *BRICS Law Journal*, 2025;12(3):151-175.
Available at: <https://www.bricslawjournal.com/jour/article/view/1392>