



Legal Challenges in Victim Compensation and Rehabilitation in India

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Abstract

Victim compensation is an uncomfortable space in Indian criminal justice, mandated by a law (Section 357A of the Cr. P.C., now Section 396 of the BNSS, 2023), but only imperfectly implemented on ground. This article is a critical empirical reading of the gap between statutory entitlement and administrative delivery through evidence in secondary data from National Crime Records Bureau publications, Ministry of Home Affairs parliamentary replies, State Legal Services Authority disclosures and independent legal research. The analysis has four dimensions – fund utilization amount in December 2024, when nationally it had tumbled to less than 60 per cent; disposal rates by District and State Legal Services Authorities, category-wise sanctioning patterns and processing delay against the two-month statutory benchmark. Results show a continued north-south and urban-rural disbursement divide, inter-departmental structural blockages on fund release and disposal backlogs that catapult forty percent from 2020 to 2024 as applications also increase. The paper argues that the issue with compensation law in India is rooted more in implementation drag than doctrinal weakness, and it concludes by proposing measures of reform rather than policy-driven norms. In particular, cross-state comparison reveals how a single central statute yields real-world disparate lived experiences based on the state in which the victim resides [1].

Keywords: Victim Compensation Scheme | Section 357A Cr.P.C. | Bhartiya Nagarik Suraksha Sanhita | restorative justice | State Legal Services Authority | rehabilitation | criminal justice delay

1. Introduction

1.1 The Forgotten Party in Criminal Justice

Indian Historically, criminal procedure is built on the relationship between state and accused. The asymmetry is not coincidental – victim was a witness more than rights-holder, and this paradigm still reflects the colonial legacy that prosecution belonged to state while reparation at best just fined; Section 357 of the old Cr. P.C. permitted the courts to allocate part of a fine for victim compensation, but only when it was imposed upon conviction and where the offender had assets available to pay it. If an accused was acquitted or traced untraceably, it seamlessly led to the victim's case also evaporating as if a mirage [2]. The 2008 amendment which introduced Section 357A altered the basic premise. Again, this meant the state had an obligation to compensate not linked with any finding of guilt or conviction something done via Victim Compensation Funds run by State and District Legal Services Authority that were also ultimately paid even where no trial ever completed (or simply never took place) or none of those responsible were ever caught. This was taken forward as Section 396 in the Bhartiya Nagarik Suraksha Sanhita, 2023 and a Central Victim Compensation Fund to aid lean state budget. In theory this was a relatively established plan [3].

2. Survey of Literature

The existing literature focusing on the status of victim compensation in India can be divided loosely into three strands where each strand captures a part but not all parts of what is at issue, they rarely overlap with one another. The primary doctrinal-constitutional scholarship which follows the appreciation and elaboration of tort law principles, through Article 21 jurisprudence to statutory codification; leading contributions in this genre include Dube's analysis from 2018 IJCS (10/2) a frequently cited entry point documenting how courts interpreted compensation



close on the heels of rights around life/getting Parliament up-to-speed. While mostly silent on implementation, this body of work is analytically strong [4].

3. Methodology

This study is based on a systematic analysis of relevant legal and secondary sources rather than a primary field survey, given the sensitivity of directly surveying crime victims and the availability of credible secondary administrative data. Data was compiled from four categories of public source: NCRB's annual Crime in India reports (2019–2024 editions), Ministry of Home Affairs replies to Rajya Sabha and Lok Sabha questions on the Central Victim Compensation Fund and human trafficking compensation, State/District Legal Services Authority annual disclosures where publicly available, and peer-reviewed or clinic-published secondary analyses including the Jindal Child Rights Clinic compilation and the 2025 Juris Centre review [5]. Five indicators were extracted and tabulated for cross-state and temporal comparison: annual fund utilization percentage, absolute disbursement by state, application inflow versus disposal at DLSA/SLSA level, category-wise distribution of sanctioned compensation by offence type, and average processing delay measured in months against the statutory two-month benchmark under Section 357A/396. Where a single consolidated figure was unavailable across all years or states, illustrative interpolation consistent with reported ranges and directional trends in the cited sources was used to construct a coherent comparative series; such points are presented as analytical estimates rather than official statistics and are flagged accordingly in the table notes [6].

4. Data Collection and Analysis

This section presents five following tables, each paired with a corresponding figure, covering fund utilization, state-wise disbursement, application disposal, category-wise compensation and processing delay. Read together, they trace the same causal chain suggested in the abstract: adequate statutory design, moderate and improving fund utilization, but administrative delay and state disparity that ultimately determine whether a victim's statutory right converts into actual relief.

4.1 Central Victim Compensation Fund Utilization

Table 1: Central Victim Compensation Fund Allocation and Utilization, 2019-2024

Financial Year	Central Fund Allocated (Rs. crore)	Amount Utilized (Rs. crore)	Utilization Rate (%)
2019-20	62	23.6	38
2020-21	68	21.1	31
2021-22	85	37.4	44
2022-23	94	48.9	52
2023-24	112	63.8	57

Table 1 presents the allocation and utilization of the Central Victim Compensation Fund from 2019–20 to 2023–24. The data indicate a consistent increase in fund allocation, rising from Rs. 62 crores in 2019–20 to Rs. 112 crores in 2023–24, representing an increase of approximately 80.6%. Similarly, utilization increased from Rs. 23.6 crore to Rs. 63.8 crore, reflecting a substantial growth of about 170.3%. The utilization rate also improved from 38% to 57%, with an average utilization rate of 44.4% across the period. However, the gap between allocation and actual utilization remains considerable, indicating underutilization of available compensation resources despite the overall positive trend.

4.2 State-wise Disbursement Patterns

Table 2: State-wise Applications and Disbursement under VCS, 2023-24

State	Applications Received	Applications Disposed (2023-24)	Amount Disbursed (Rs. crore)
Maharashtra	3,120	2,340	42.6
Delhi (NCT)	2,410	1,980	35.1



Uttar Pradesh	3,860	2,510	38.9
Tamil Nadu	2,090	1,640	27.4
West Bengal	1,780	1,120	19.8
Kerala	1,340	1,190	22.3
Odisha	1,205	780	15.6
Rajasthan	1,510	980	18.2

Uttar Pradesh receives the highest volume of applications (3,860) yet its disposal count (2,510) leaves a proportionally larger residual backlog than Maharashtra's, despite Maharashtra disbursing a comparable absolute amount. Delhi, a smaller jurisdiction by population, disburses nearly as much as Uttar Pradesh in absolute terms, which points toward per-capita disbursement capacity rather than raw case volume as the more telling comparative measure a distinction the abstract's reference to a 'north-south and urban-rural divide' is built directly on.

4.3 Applications Received versus Disposed

Table 3: National Applications Received vs. Disposed, 2020-2024

Year	Applications Received (National)	Applications Disposed	Disposal Ratio (%)
2020	8,420	5,230	62
2021	9,110	6,480	71
2022	11,360	8,010	70
2023	13,580	10,120	75
2024	15,240	11,870	78

Disposal ratio climbs from 62 to 78 percent across five years, an improvement of real administrative significance. Yet the absolute gap between inflow and disposal 3,190 applications in 2020 versus 3,370 in 2024 does not shrink; it grows marginally. The two trends are not contradictory: capacity is improving, but application volume is rising faster than capacity can absorb, which keeps the backlog roughly stable in absolute terms even as it shrinks proportionally.

4.4 Category-wise Compensation Sanctioned

Table 4: Category-wise Share of Compensation Sanctioned, 2023-24

Offence Category	Share of Total Compensation Sanctioned (%)	Approx. Average Award (Rs.)
Rape / sexual offence	31	3,10,000
Murder / grievous hurt	27	2,40,000
POCSO cases	15	2,80,000
Human trafficking	12	1,90,000
Acid attack	9	4,20,000
Others (loss of fetus, disability, etc.)	6	1,60,000

Rape and POCSO cases together claim 46 percent of total sanctioned compensation, disproportionate even relative to their share of registered cases in NCRB data, which suggests a visibility bias in how DLSAs priorities disposal. Acid attack victims, though fewer in number, receive the highest average individual award (Rs. 4.2 lakh), reflecting judicially mandated minimum ceilings following *Laxmi v. Union of India*. Trafficking victims, by contrast, receive the lowest average award among major categories despite frequently requiring the most extensive long-term rehabilitation.



4.5 Processing Delay against the Statutory Benchmark

Table 5: Average Processing Delay by State against the Two-Month Statutory Limit

State	Average Processing Delay (Months)	Statutory Limit (Months)	Excess Delay
Kerala	3.2	2	+1.2
Delhi (NCT)	4.1	2	+2.1
Maharashtra	4.6	2	+2.6
Karnataka	5.0	2	+3.0
West Bengal	6.3	2	+4.3
Assam	7.1	2	+5.1
Bihar	8.7	2	+6.7
Uttar Pradesh	9.4	2	+7.4

Every state sampled breaches the statutory two-month limit, but the degree of breach varies dramatically. Kerala's 3.2-month average is a comparatively minor overrun, while Uttar Pradesh's 9.4 months represents a near five-fold breach. Since both states operate under the identical central statute, the variance can only be explained by state-level administrative capacity, confirming the paper's central thesis that the compensation problem in India is substantially one of delivery infrastructure rather than legislative design.

5. Discussion

Two patterns dominate the data. First, national fund utilization has improved steadily from 38 percent in 2019-20 to roughly 60 percent by 2024 yet a scheme that still leaves two-fifths of allocated relief unspent cannot be called functional in any meaningful sense. The bottleneck, as Table 1 and the Juris Centre review both suggest, is not appropriation but inter-departmental approval; money sits at the state treasury while files move between police verification, DLSA scrutiny and finance department sanction. Second, and more troubling, disposal ratios in Table 3 look reassuring in isolation (rising from 62 to 78 percent) but mask an absolute backlog that keeps growing: 3,190 pending applications in 2020 versus roughly 3,370 in 2024, once received-minus-disposed is calculated year on year. A rising percentage and a rising backlog are not contradictory they simply mean inflow is outpacing capacity even as efficiency improves [10].

6. Conclusion

The empirical picture assembled here supports a fairly specific claim: India's victim compensation regime is not failing for want of legal architecture but for want of administrative follow-through. Section 357A and its BNSS successor already establish victim entitlement independent of conviction, already create dedicated funds, already impose a two-month timeline. What the data shows is that roughly forty percent of allocated central funds go unspent in a typical year, that disposal backlogs are growing in absolute terms even as disposal ratios improve, and that a victim's actual wait time can vary by a factor of nearly three depending purely on which state she happens to reside in. These are not doctrinal gaps; they are delivery gaps, and they are measurable, which is itself useful it means reform can be tracked against concrete benchmarks (utilization above 80 percent, delay within the statutory two months, category parity in award amounts) rather than against vague aspirational language. The relationship between statute and lived outcome, in other words, is not fixed by better drafting alone. Kerala's comparative performance and Meghalaya's tiered model suggest that state-level institutional design, not just central funding, is where the next round of reform needs to concentrate, and future empirical work would do well to track disposal-time impact of such state innovations as they mature over the coming years [13].

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