



New Employment Law Disclosure Requirements

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Background

By means of a notification dated May 30, 2025 (“**Notification**”), the Ministry of Corporate Affairs, Government of India, has introduced certain new disclosure requirements on companies, which applies to all kinds of companies (private, public-unlisted or public-listed) registered under Indian company law.

As per the new disclosure requirements, the Board of Directors (“**Board**”) of each company is required to disclose specific details concerning the company’s compliance with: (i) the Sexual Harassment of Women (Prevention, Prohibition and Redressal) Act, 2013 (“**POSH Act**”); and (ii) the Maternity Benefit Act, 1961 (“**MB Act**”). The disclosure should be in the manner prescribed under the Notification and will apply on and from July 14, 2025.

POSH Act Disclosures

The Board is required to provide a statement confirming compliance with the provisions relating to the constitution of an Internal Committee under the POSH Act. Furthermore, companies are required to share details of:

- (i) The number of Sexual Harassment Complaints the company has received in the previous financial year;
- (ii) Number of Sexual Harassment Complaints that have been disposed off during the previous financial year; and
- (iii) Number of Sexual Harassment Complaints pending beyond 90 days.

While the Board was previously required to only issue a statement in their report indicating the company’s compliance with the POSH Act, the Notification introduces more detailed disclosures concerning sexual harassment at the workplace.

MB Act Disclosures

The Board is required to provide a statement confirming compliance with the provisions of the MB Act. While this MB Act compliance statement may appear to be relatively straight forward,

companies must note that the compliance aspects envisaged under the MB Act are not limited to ensuring that a woman employee is provided her maternity leave, alone.

There are various additional conditions under the MB Act. For example, the MB Act requires employers to, amongst other key conditions, make available crèche facilities (subject to employee thresholds) and inform all employees of the benefits afforded under the MB Act at the time of their joining employment, etc.; and prohibits/restricts the termination of pregnant women employees.

Additional disclosures

Lastly, the Notification also requires companies to disclose the number of individuals (classified as female, male and transgender) employed by the company as on the end of the relevant financial year.

Penalties

In addition to other penalties that may be applicable under the POSH Act and the MB Act, for any violation of the Notification, a company shall be liable to a penalty of INR 300,000 (approx. USD 3,500), and every officer of the company who is in default shall be liable to a penalty of INR 50,000 (approx. USD 600).

Conclusion

Labour laws in India such as the POSH Act and the MB Act are usually administered by the Ministry of Labour, Government of India. Ensuring compliance of these laws by a different regulator viz., the Ministry of Corporate Affairs, which enforces company and certain other business laws is an increasing trend that we are witnessing in India. Hence, companies should be wary of obtaining advise on labour laws in isolation and should engage with professionals who have a more rounded approach to advising on diverse areas of Indian law. With new obligations now cast upon the Board, directors are expected to be fully aware and ensure adherence with the POSH Act and the MB Act in their companies.

While there has been a huge backlash against DEI in the West, India is taking additional steps to ensure that women feel secure and safe at the workplace and is also making sure that they are able to enjoy the maternity benefits that they are entitled to under law. The disclosure on the total number of employees broken by gender however seems problematic as Indian employers do not usually obtain this data from their employees.