Empirical evidence concerning the impact of paid maternity leave on child and maternal well-being is mostly limited to developed-country contexts, only a few studies have extended their investigation to developing nations where paid maternity leave revised extensively either through increased leave duration or increased payment rates. Alongside this, there has been remarkable progress in key demographic indicators in several low-income countries, e.g., child mortality, birth rates and women’s labour force participation. It is not well understood whether these changes are a result of maternity leave, being expanded gradually in low-income countries, or whether maternity leave has been revised in response to demographic shifts over time. Analysing macro panel data for the period 2000—2015, this study investigates the relationship between paid maternity leave and key demographic indicators for women and children in eight South Asian countries—Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka—where maternity leave policies have been instituted or significantly revised in the last decade. The analysis uses three-stage least squares to address reverse causality in demographic indicators and to assess the effect of paid maternity leave on three primary outcomes: the incidence of infant mortality or child mortality (IMR), age-specific female labour force participation (the ratio of employed women to adult population (EP)) and total fertility rates (TFR). Although IMR has fallen remarkably during 2000–2015, especially in Afghanistan, it still lags behind all other South Asian nations, except Pakistan. Most nations in South Asia have experienced sluggish growth in women’s labour force participation rates but made remarkable progress in addressing high TFR, except Afghanistan. The analysis finds that amendment of paid ML increases TFR while it reduces EP 15+. The effect on IMR is, however, less conclusive. This suggests further work is needed to understand the health effects of paid maternity leave in low-income countries. Further given that gender equality is one of the 17 UN Sustainable Development Goals, useful lessons about the effects of protective policies on women’s economic participation can be learned from one of the most dynamic subregions in the world.