

# ### Top 50 Objective Type Questions on Mines Auction Rules in India

1. **\*\*Under which section of the MMDR Act is the grant of mining lease for notified minerals through auction mandated?\***

A. Section 10A

B. Section 10B ✓

C. Section 11

D. Section 12

2. **\*\*What is the standard tenure of a mining lease granted after the 2015 amendment to the MMDR Act?\***

A. 20 years

B. 30 years

C. 50 years ✓

D. 99 years

3. **\*\*Which Act introduced the auction-based allocation of mineral concessions to ensure transparency?\***

A. Mines Act, 1952

**B. MMDR Amendment Act, 2015 ✓**

**C. Coal Mines Act, 1973**

**D. Environment Protection Act, 1986**

**4. \*\*What is the primary objective of the District Mineral Foundation (DMF) under the MMDR Act? \*\***

**A. To regulate auctions**

**B. To benefit persons and areas affected by mining ✓**

**C. To collect royalties**

**D. To grant licences**

**5. \*\*For minor minerals, who has the authority to frame rules for their grant and regulation? \*\***

**A. Central Government**

**B. State Governments ✓**

**C. Indian Bureau of Mines**

**D. Geological Survey of India**

**6. \*\*Which schedule of the MMDR Act lists notified minerals subject to auction? \*\***

**A. First Schedule**

**B. Second Schedule**

C. Third Schedule

D. Fourth Schedule ✓

7. \*\*What is the maximum period for a reconnaissance permit under the MMDR Act?\*

A. 1 year

B. 3 years ✓

C. 5 years

D. 10 years

8. \*\*In the auction process, what is the method primarily used for selecting the successful bidder?\*

A. First-come, first-served

B. Competitive bidding, including e-auction ✓

C. Lottery system

D. Direct allocation

9. \*\*Under the Mineral (Auction) Rules, 2015, what must the successful bidder sign after obtaining approvals for a composite licence?\*

A. Reconnaissance Agreement

B. Mine Development and Production Agreement ✓

C. Royalty Payment Deed

D. Exploration Licence

10. \*\*Which amendment removed the distinction between captive and non-captive mines for auctions?\*

A. 2015 Amendment

B. 2021 Amendment ✓

C. 2023 Amendment

D. 2010 Amendment

11. \*\*What is the upfront payment cap introduced in the Mineral (Auction) Amendment Rules, 2024?\*

A. Rs 100 crore

B. Rs 500 crore ✓

C. Rs 1,000 crore

D. No cap

12. \*\*For mining leases obtained through auction, can they be transferred to a third party?\*

A. No, never

B. Yes, with state government approval ✓

C. Only for captive use

**D. Only after 10 years**

**13. \*\*What is the minimum net worth requirement for bidding on a mining lease auction?\*\***

**A. Rs 50 crore**

**B. Rs 100 crore**

**C. Rs 200 crore ✓**

**D. Rs 500 crore**

**14. \*\*Under Section 11 of the MMDR Act, auctions for prospecting licence-cum-mining lease are conducted for which minerals?\*\***

**A. Notified minerals only**

**B. Non-notified minerals ✓**

**C. Atomic minerals**

**D. Coal and lignite**

**15. \*\*What percentage of revenue from mines is allocated to the District Mineral Foundation?\*\***

**A. 10%**

**B. 20-30% ✓**

**C. 50%**

**D. 100%**

**16. \*\*Which body publishes the Average Sale Price (ASP) used for calculating auction premiums? \*\***

**A. Ministry of Mines**

**B. Indian Bureau of Mines ✓**

**C. State Geology Departments**

**D. Geological Survey of India**

**17. \*\*For critical minerals auctions under the 2023 amendment, what new licence was introduced? \*\***

**A. Reconnaissance Permit**

**B. Exploration Licence ✓**

**C. Prospecting Licence**

**D. Mining Lease**

**18. \*\*What is the incentive for early production in auctioned mining leases (within 5 years of Lol)? \*\***

**A. 10% premium reduction**

**B. 50% premium reduction ✓**

**C. Full royalty waiver**

**D. No incentive**

19. **\*\*Who owns minerals located within state boundaries under the MMDR Act?\***

A. Central Government

B. State Governments ✓

C. Private landowners

D. District authorities

20. **\*\*In the Mineral (Auction) Rules, what is prohibited for affiliates in the same auction?\***

A. Bidding separately ✓

B. Joint bidding

C. Withdrawing bids

D. Paying premiums

21. **\*\*What is the maximum extension period for a prospecting licence?\***

A. 1 year

B. 2 years

C. 5 years ✓

D. Indefinite

22. **\*\*Under the 2015 amendment, all pre-2015 mining leases were to expire by which date?\*\***

A. 31 March 2015

B. 31 March 2020 ✓

C. 31 March 2025

D. 31 March 2030

23. **\*\*Which minerals require prior Central Government approval for mining leases (Part A of First Schedule)?\*\***

A. Minor minerals

B. Atomic minerals ✓

C. Building stones

D. Sand

24. **\*\*What is the bid parameter for mining lease auctions of notified minerals?\*\***

A. Upfront payment only

B. Percentage of mineral value ✓

C. Fixed royalty

D. Exploration cost

25. **\*\*The National Mineral Exploration Trust (NMET) uses funds for what purpose?\*\***

A. Auction regulation

B. Regional and detailed exploration ✓

C. Royalty collection

D. DMF funding

26. **\*\*For offshore mineral auctions, which new rules were introduced in 2024?\*\***

A. Offshore Areas (Existence of Mineral Resources) Rules ✓

B. Deep-Sea Mining Rules

C. Territorial Waters Auction Rules

D. EEZ Exploration Rules

27. **\*\*What is the performance security cap for critical mineral auctions?\*\***

A. Rs 100 crore

B. Rs 500 crore ✓

C. No cap

D. Rs 1,000 crore

28. **\*\*Under Section 8A, mining leases for non-coal minerals are granted for how long?\***

A. 20 years

B. 30 years

C. 50 years ✓

D. Lifetime

29. **\*\*Who conducts geological surveys exempt from auction requirements?\***

A. Private companies

B. Geological Survey of India ✓

C. State mining departments

D. All of the above

30. **\*\*What amendment allowed auctions for glauconite, potash, and molybdenum?\***

A. 2015

B. 2021 ✓

C. 2023

D. 2024

**31. \*\*In CL auctions, exploration must be completed within how many years?\*\*\***

**A. 3 years**

**B. 5 years ✓**

**C. 7 years**

**D. 10 years**

**32. \*\*Royalty rates for minerals are specified in which schedule of the MMDR Act?\*\*\***

**A. First**

**B. Second ✓**

**C. Third**

**D. Fourth**

**33. \*\*What is the minimum bid security for a mining lease auction?\*\*\***

**A. 0.5% of value**

**B. 1% of value ✓**

**C. 5% of value**

**D. 10% of value**

34. **\*\*The 2023 amendment focuses on auctions for which type of minerals?\***

A. Minor minerals

B. Critical and deep-seated minerals ✓

C. Atomic minerals

D. Coal only

35. **\*\*Transfer of non-auctioned mining leases (non-captive) requires what?\***

A. No approval

B. Upfront fee of 0.5% of estimated resources ✓

C. Full auction

D. Central approval

36. **\*\*What is the object of the National Mineral Exploration Trust?\***

A. To fund DMFs

B. Regional mineral exploration ✓

C. Auction oversight

D. Royalty audits

37. **\*\*For mining leases over 5 hectares, what is mandatory?\***

A. EIA and EMP ✓

B. Only royalty payment

C. Surface rights only

D. No environmental clearance

38. \*\*Which act prohibits mining without a valid concession?

\*\*

A. Section 4 of MMDR Act ✓

B. Section 9

C. Section 10B

D. Section 15

39. \*\*In auctions, 50% of plots may be allotted by what method for minor minerals?\*

A. Auction only

B. Lottery ✓

C. Direct grant

D. Tender

40. \*\*The 2021 amendment introduced what for statutory payments?\*

A. National Mineral Index ✓

**B. Fixed royalties**

**C. Upfront auctions**

**D. DMF caps**

**41. \*\*Who cannot be granted a mining permit under minor mineral rules?\*\***

**A. Indian citizens**

**B. Non-Indian nationals ✓**

**C. State companies**

**D. Private firms**

**42. \*\*What is the early production incentive for CL auctions (within 7 years)?**

**A. 25% premium reduction**

**B. 50% premium reduction ✓**

**C. Full waiver**

**D. No incentive**

**43. \*\*Under the 2024 amendment, affiliates are barred from what in auctions?**

**A. Submitting multiple bids ✓**

**B. Joint ventures**

C. Withdrawals

D. Premium payments

44. \*\*For atomic minerals, auctions are regulated under which act alongside MMDR?\*

A. Atomic Energy Act, 1962 ✓

B. Mines Act, 1952

C. Coal Act, 1973

D. EP Act, 1986

45. \*\*What is the validity period for a composite licence auction?\*

A. 10 years

B. 20 years

C. Up to 50 years (including mining) ✓

D. Indefinite

46. \*\*The Minerals (Evidence of Mineral Contents) Rules, 2015, detail requirements for what?\*

A. Auction bidding

B. Exploration levels for CL/ML grant ✓

C. Royalty calculation

## D. DMF funding

47. **\*\*Which tranche of auctions launched commercial coal mining under MMDR?\***

A. 1st Tranche

B. 11th Tranche ✓

C. 20th Tranche

D. No tranche

48. **\*\*What must a bidder obtain for surface rights in mining applications?\***

A. Central approval

B. Owner's consent ✓

C. Auction bid only

D. DMF clearance

49. **\*\*The 2023 amendment enables auctions for how many new minerals like emerald?\***

A. 5

B. 6 ✓

C. 10

D. 20

50. **\*\*Under recent amendments (2025), timelines for CL execution after Lol are how many months?\***

**A. 3 months**

**B. 6 months ✓**

**C. 12 months**

**D. 24 months**

Sudam Behera

Head of Mining