**Abstract**

Commodities play a vital role in the development of any economy. Commodities are products which are outputs of primary sector. A commodity includes all kinds of goods. FCRA defines "goods" as "every kind of movable property other than actionable claims, money and securities". Commodities have commercial value and can be transacted. They are considered to be separate asset class. India is the second largest producer of agricultural outputs. With the change in the economic policies in the early 1990s, our country has witnessed a sea change in the consumption pattern too. Many products which were not that popular in Indian markets have now captured the markets. At present India is the leading producer as well as the leading consumer of many commodities too.