**Abstract**

International trade plays a major role in the economic development of the country. Global economic environment has been developing by an increase in level of exports than imports in the international trade.The fluctuations in mercandise trade affects the economic growth of the country. Exchange rate is a vital component for every international trade transactions in the country.It greatly influences the prices of goods and services.The fluctuations in exchange rate will hinder the inflow of international trade due to the uncertainity movement and creates risk for the traders. Trade balance remains deficit due to an increase in level of imports in recent years. Trade policies have been formulated to regulate to reduce trade barriers for the exporters and importers. A large depreciation in the value of rupee affects the exporters and importers . In this background there is a need to explore the percentage growth of exports,imports and trade balance in an Indian economy.