**Abstract**

The Exchange rates plays a pivotal role in international trade, foreign exchange transactions, balance of payment and enhances the economic health. The movement in exchange rate is affected by several macro economic variables, such as, interest rate, inflation rate, money supply and national income. In India, Rupee has experienced the trend of depreciation against foreign currencies due to rise in imports of petroluem products. The increase in imports of the goods has created a demand for the foreign currency in the country. India imports more of gold and crude oil products, where it has an impact on the current account deficit in the Indian economy. With this background this paper focuses on the casual relationship between exchange rate, gold prices and crude oil prices for the period of five years from 2013-14 to 2017-18. The tools, namely, Unit root test, Granger casuality test, Correlation and Regression analysis have been applied in the study to analyse the data. The study has concluded that an increase in imports have affected the movements of exchange rate