This paper explores relationship between the Indian stock and Foreign exchange markets in India.The study employed ADF to test the stationarity, Granger causality test to analyse the short run equilibrium and Johansen co-intergration test to analyse the long run equilibrium. The study used all the exchange rates (USD/INR, EURO/INR, POUND/INR and YEN/INR) which are legally traded in India and Nifty 50 index by using monthly data from Jan 2013 – Dec 2017. The findings of the study show a long-run stable relationship between stock index and exchange rates exist. This means that stock index of Nifty 50 and exchange rates (USD, Euro and Yen against INR) move together in the long-run. The study next performed Granger causality test. There exist a short run relationship i.e., unidirectional causality running from CNX NIFTY to Euro/INR and USD/INR to CNX\_Nifty. Thus, investors can use one market information to predict the other market. Also, financial managers can obtain more insights in the management of their international portfolio affected by these two variables. This should be particularly important to domestic investors and also international investors for diversifying their portfolio or for hedging purpose.