Data Compression is a technique in which the size of data is reduced without loss of information. Lossless Compression has less data-holding capacity than Lossy compression technique. Algorithms used in Lossless compression are: Run Length Encoding, Lempel–Ziv–Welch, Huffman Coding, Arithmetic encoding etc. Algorithms used in Lossy compression are: Transform coding, Discrete Cosine Transform, Discrete Wavelet Transform, fractal compression etc. The main difference between the two compression techniques (lossy compression and Lossless compression) is that, The lossy compression technique does not restored the data in its original form, after decompression on the other hand lossless compression restores and rebuilt the data in its original form, after decompression. Lossy compression and Lossless compression are the categories of data compression method. Lossy compression is used in Images, audio, video. 2.3.4.5.6.7.8.