

Chart of Difference between Depreciation and Capital Loss

Basis of Difference	Depreciation	Capital Loss
Meaning	It refers to the fall in the value of fixed assets due to normal wear and tear & accidental damages and expected obsolescence.	It refers to the fall in the value of fixed assets due to natural calamities and economic recession.
Main reasons	For this, change in technology and demand are the main reasons.	For this, Natural calamities and economic recession result in this loss.
Regarded as	Considering this loss, It is regarded as the consumption of fixed capital.	In this respect, It is regarded as unexpected obsolescence.
Management	It is managed through a depreciation reserve fund.	It is managed through the insurance of fixed assets.
Predictability	In this regard, the producers can predict the loss through their experience and knowledge.	In this respect, the loss cannot be predicted before.