

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No. 1)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12
 Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Capital Southwest Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

CAPITAL SOUTHWEST CORPORATION
12900 Preston Road, Suite 700
Dallas, TX 75230

AMENDMENT TO PROXY STATEMENT
FOR THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD on July 18, 2012

EXPLANATORY NOTE

The sole purpose of this amendment to the original definitive proxy statement (the "Proxy Statement") of Capital Southwest Corporation (the "Company"), filed with the Securities and Exchange Commission on June 15, 2012, is to restate in its entirety the Summary Compensation Table for the three-year period ended March 31, 2012 set forth at the top of page 20 of the Proxy Statement by substituting the table below, which has only been revised to reflect compensation paid to Tracy L. Morris, William M. Ashbaugh, Ray D. Schwertner, and William R. Thomas, III for fiscal year 2012.

SUMMARY COMPENSATION TABLE

The following table includes information concerning compensation for the three-year period ended March 31, 2012.

Name	Fiscal Year	Salary	Bonus	Option Awards (1)	Restricted Stock Awards (1)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (2)	All Other Compensation (3)	Total
Gary L. Martin President and Chief Executive Officer	2012	\$441,250	\$568,750	\$473,852	\$8,360	\$759,788	\$24,500	\$2,276,500
	2011	405,000	567,291	473,852	–	483,507	24,500	1,954,150
	2010	362,500	390,625	366,609	–	462,576	24,500	1,606,810
Tracy L. Morris Chief Financial Officer, Secretary, Treasurer, and Chief Compliance Officer	2012	\$176,250	\$137,500	\$77,505	\$4,180	\$14,240	\$24,500	\$434,175
	2011	161,250	106,875	52,704	–	12,053	24,500	357,382
	2010	146,250	76,250	40,026	–	11,042	22,250	295,818
William M. Ashbaugh Senior Vice President	2012	\$284,375	\$86,979	\$145,240	\$5,225	\$130,597	\$24,500	\$676,916
	2011	271,250	151,458	163,522	–	59,108	24,500	669,838
	2010	256,250	150,833	120,995	–	64,838	24,500	617,416
Ray D. Schwertner Vice President	2012	\$187,500	\$137,917	\$32,564	\$4,180	\$216,149	\$24,500	\$602,810
	2011	176,250	107,500	32,564	–	108,333	24,500	449,147
	2010	55,000	40,000	2,714	–	114,360	9,500	221,574
William R. Thomas, III Vice President	2012	\$195,000	\$148,333	\$111,045	\$4,180	\$24,291	\$24,500	\$507,349
	2011	143,750	130,625	86,244	–	7,287	24,500	392,406
	2010	140,781	81,667	73,566	–	7,401	22,245	325,660

- (1) The amounts represent the portion of the grant which was expensed in that year pursuant to ASC 718 – "Compensation-Stock Compensation" ("ASC 718"). The grant date value, determined in accordance with ASC 718, for the fiscal 2012 and 2011 grants are reflected in the Grants of Plan-Based Awards table below. See Note 6 of the consolidated financial statements in the Company's Annual Report for the year ended March 31, 2012 regarding assumptions underlying valuation of equity awards.

- (2) Amounts shown reflect the aggregate change during the year in actuarial present value of accumulated benefit under all pension plans (including restoration plan). See Note 8 of the consolidated financial statements in the Company's Annual Report for the year ended March 31, 2012 regarding assumptions used in determining the amounts.
- (3) Includes amounts contributed to the ESOP accounts of each executive officer.

CAPITAL SOUTHWEST CORPORATION

By: /s/ Tracy L. Morris
Tracy L. Morris
Chief Financial Officer

June 25, 2012

ANNUAL MEETING OF SHAREHOLDERS OF
CAPITAL SOUTHWEST CORPORATION

July 18, 2012

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:
 The Notice of Meeting, Proxy Statement and Proxy Card
 are available at <http://www.capitalsouthwest.com/investors/financial-reports/>

Please sign, date and mail
 your proxy card in the
 envelope provided as soon
 as possible.

↓ Please detach along perforated line and mail in the envelope provided. ↓

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PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE

1. Election of Directors:

- FOR ALL NOMINEES
- WITHHELD AUTHORITY FOR ALL NOMINEES
- FOR ALL EXCEPT (See instructions below)

NOMINEES:
 Samuel B. Ligon
 Gary L. Martin
 T. Duane Morgan
 Richard F. Strup
 John H. Wilson

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark "FOR ALL EXCEPT" and fill in the circle next to each nominee you wish to withhold, as shown here: ●

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Signature of Shareholder _____ Date _____ Signature of Shareholder _____ Date _____

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

2. Proposal to ratify the appointment by our Audit Committee of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2013. FOR AGAINST ABSTAIN
3. Proposal to approve, by non-binding vote, executive compensation.
4. Transact such other business that may properly come before the meeting and any adjournment thereof.

If any other business is presented at the meeting, this proxy will be voted by the proxies in their best judgment.

This proxy when properly executed will be voted in the manner directed. Unless otherwise marked, this proxy will be voted for the election of the persons named at the left hereof and for the proposal described in Proposals 2 and 3.

If more than one of the proxies named herein shall be present in person or by substitute at the meeting or at any adjournment thereof, the majority of the proxies so present and voting, either in person or by substitute, shall exercise all of the powers hereby given.

The undersigned hereby revokes any proxy or proxies heretofore given to vote upon or act with respect to such stock and hereby ratifies and confirms all that the proxies, their substitutes or any of them may lawfully do by virtue hereof.

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CAPITAL SOUTHWEST CORPORATION

PROXY FOR ANNUAL MEETING OF SHAREHOLDERS – JULY 18, 2012

**THIS PROXY IS SOLICITED ON BEHALF OF THE
BOARD OF DIRECTORS OF THE CORPORATION.**

The undersigned shareholder of Capital Southwest Corporation, does hereby nominate, constitute and appoint Samuel B. Ligon and John H. Wilson, or either one of them, as Proxies, each with full power to appoint his substitute, to represent and vote all shares of Common Stock of Capital Southwest Corporation held of record by the undersigned at the Annual Meeting of shareholders to be held at 10:00 a.m. Dallas time on Wednesday, July 18, 2012, in meeting room #200 of the North Dallas Bank Tower, 12900 Preston Road, Dallas, Texas, 75230, and at any adjournments thereof, as follows:

(Continued and to be signed on the reverse side.)

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