

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from.....to.....

Commission File Number: 814-61

CAPITAL SOUTHWEST CORPORATION
(Exact name of registrant as specified in its charter)

Texas 75-1072796
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

12900 Preston Road, Suite 700, Dallas, Texas 75230
(Address of principal executive offices) (Zip Code)

(972) 233-8242
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

3,829,051 shares of Common Stock, \$1 Par Value as of October 31, 2002

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CAPITAL SOUTHWEST CORPORATION AND SUBSIDIARY
Consolidated Statements of Financial Condition

Assets	September 30, 2002 ----- (Unaudited)	March 31, 2002 -----
Investments at market or fair value		
Companies more than 25% owned		
(Cost: September 30, 2002 - \$23,114,865		
March 31, 2002 - \$23,194,865)	\$ 195,597,981	\$ 243,024,999
Companies 5% to 25% owned		
(Cost: September 30, 2002 - \$30,120,124		
March 31, 2002 - \$27,167,649)	23,002,003	34,943,003
Companies less than 5% owned		
(Cost: September 30, 2002 - \$30,064,877		
March 31, 2002 - \$31,831,341)	58,002,637	69,513,064
	-----	-----
Total investments		
(Cost: September 30, 2002- \$83,299,866		
March 31, 2002 - \$82,193,855)	276,602,621	347,481,066

Cash and cash equivalents	1,695,195	1,977,180
Receivables	293,671	1,753,297
Other assets	6,216,235	5,971,361
	-----	-----
Totals	\$ 284,807,722	\$ 357,182,904
	=====	=====
Liabilities and Shareholders' Equity		
Notes payable to bank	\$ 11,500,000	\$ 6,500,000
Notes payable to portfolio company	2,500,000	2,500,000
Accrued interest and other liabilities	1,862,450	2,018,140
Deferred income taxes	65,344,862	90,673,722
Subordinated debenture	--	5,000,000
	-----	-----
Total liabilities	81,207,312	106,691,862
	-----	-----
Shareholders' equity		
Common stock, \$1 par value: authorized, 5,000,000 shares; issued, 4,266,416 shares at September 30, 2002 and March 31, 2002	4,266,416	4,266,416
Additional capital	6,935,497	6,935,497
Undistributed net investment income	3,491,055	3,297,838
Undistributed net realized gain on investments	69,562,987	69,844,380
Unrealized appreciation of investments - net of deferred income taxes	126,377,757	173,180,213
Treasury stock - at cost (437,365 shares)	(7,033,302)	(7,033,302)
	-----	-----
Net assets at market or fair value, equivalent to \$53.17 per share at September 30, 2002 and \$65.42 per share at March 31, 2002 on the 3,829,051 shares outstanding	203,600,410	250,491,042
	-----	-----
Totals	\$ 284,807,722	\$ 357,182,904
	=====	=====

(See Notes to Consolidated Financial Statements)

CAPITAL SOUTHWEST CORPORATION
AND SUBSIDIARY
Consolidated Statements of Operations

(Unaudited)

	Three Months Ended September 30		Six Months Ended September 30	
	2002	2001	2002	2001
Investment income:				
Interest	\$ 47,045	\$ 81,901	\$ 111,720	\$ 173,159
Dividends	696,492	705,879	1,405,484	1,411,758
Management and directors' fees	120,350	121,148	251,700	260,248
	863,887	908,928	1,768,904	1,845,165
Operating expenses:				
Salaries	209,475	206,160	410,225	399,493
Net pension benefit	(67,826)	(130,728)	(193,961)	(252,270)
Other operating expenses	121,353	142,026	271,260	262,706
	263,002	217,458	487,524	409,929
Income before interest expense and income taxes	600,885	691,470	1,281,380	1,435,236
Interest expense	93,497	262,418	254,453	534,219
Income before income taxes	507,388	429,052	1,026,927	901,017
Income tax expense	23,700	45,720	67,900	88,320
Net investment income	\$ 483,688	\$ 383,332	\$ 959,027	\$ 812,697
Proceeds from disposition of investments	\$ 56,678	\$ 783,978	\$ 1,515,898	\$ 783,978
Cost of investments sold	--	1,566,234	2,012,051	1,566,234
Realized gain (loss) on investments before income taxes	56,678	(782,256)	(496,153)	(782,256)
Income tax expense (benefit)	19,837	(331,878)	(214,760)	(331,878)
Net realized gain (loss) on investments	36,841	(450,378)	(281,393)	(450,378)
Increase (decrease) in unrealized appreciation of investments before income taxes	(49,651,999)	(1,795,205)	(71,984,456)	21,457,855
Increase (decrease) in deferred income taxes on appreciation of investments	(17,378,000)	(656,000)	(25,182,000)	7,287,000
Net increase (decrease) in unrealized appreciation of investments	(32,273,999)	(1,139,205)	(46,802,456)	14,170,855
Net realized and unrealized gain (loss) on investments	\$(32,237,158)	\$ (1,589,583)	\$(47,083,849)	\$ 13,720,477
Increase (decrease) in net assets from operations	\$(31,753,470)	\$ (1,206,251)	\$(46,124,822)	\$ 14,533,174

(See Notes to Consolidated Financial Statements)

CAPITAL SOUTHWEST CORPORATION
AND SUBSIDIARY
Consolidated Statements of Changes in Net Assets

	Six Months Ended September 30, 2002 ----- (Unaudited)	Year Ended March 31, 2002 -----
Operations		
Net investment income	\$ 959,027	\$ 2,041,896
Net realized loss on investments	(281,393)	(537,934)
Net increase (decrease) in unrealized appreciation of investments	(46,802,456)	24,174,348
	-----	-----
Increase (decrease) in net assets from operations	(46,124,822)	25,678,310
Distributions from:		
Undistributed net investment income	(765,810)	(2,294,631)
Capital share transactions		
Exercise of employee stock options	--	498,750
	-----	-----
Increase (decrease) in net assets	(46,890,632)	23,882,429
Net assets, beginning of period	250,491,042	226,608,613
	-----	-----
Net assets, end of period	\$ 203,600,410	\$ 250,491,042
	=====	=====

(See Notes to Consolidated Financial Statements)

CAPITAL SOUTHWEST CORPORATION
AND SUBSIDIARY
Consolidated Statements of Cash Flows

(Unaudited)

	Three Months Ended September 30		Six Months Ended September 30	
	2002	2001	2002	2001
Cash flows from operating activities				
Increase (decrease) in net assets from operations	\$(31,753,470)	\$ (1,206,251)	\$(46,124,822)	\$ 14,533,174
Adjustments to reconcile increase (decrease) in net assets from operations to net cash provided by (used in) operating activities:				
Depreciation and amortization	3,878	5,999	9,277	11,820
Net pension benefit	(67,826)	(130,728)	(193,961)	(252,270)
Net realized and unrealized (gain) loss on investments	32,237,158	1,589,583	47,083,849	(13,720,477)
(Increase) decrease in receivables	(158,613)	(673,782)	1,459,626	(544,996)
(Increase) decrease in other assets	13,604	12,806	(3,026)	(2,298)
Increase (decrease) in accrued interest and other liabilities	(9,038)	86,386	(129,213)	(53,106)
Decrease in accrued pension cost	(41,820)	(52,486)	(83,640)	(104,973)
Deferred income taxes	23,700	45,720	67,900	88,320
	-----	-----	-----	-----
Net cash provided by (used in) operating activities	247,573	(322,753)	2,085,990	(44,806)
	-----	-----	-----	-----
Cash flows from investing activities				
Proceeds from disposition of investments	56,678	783,978	1,515,898	783,978
Purchases of securities	(3,157,830)	(1,282,929)	(3,198,063)	(1,780,858)
Maturities of securities	--	--	80,000	150,000
	-----	-----	-----	-----
Net cash used in investing activities	(3,101,152)	(498,951)	(1,602,165)	(846,880)
	-----	-----	-----	-----
Cash flows from financing activities				
Increase (decrease) in notes payable to bank	(62,000,000)	(60,000,000)	5,000,000	1,500,000
Increase in notes payable to portfolio company	--	500,000	--	500,000
Decrease in subordinated debenture	--	--	(5,000,000)	--
Distributions from undistributed net investment income	--	--	(765,810)	(763,010)
Proceeds from exercise of employee stock options	--	498,750	--	498,750
	-----	-----	-----	-----
Net cash provided by (used in) financing activities	(62,000,000)	(59,001,250)	(765,810)	1,735,740
	-----	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	(64,853,579)	(59,822,954)	(281,985)	844,054
Cash and cash equivalents at beginning of period	66,548,774	61,804,775	1,977,180	1,137,767
	-----	-----	-----	-----
Cash and cash equivalents at end of period	\$ 1,695,195	\$ 1,981,821	\$ 1,695,195	\$ 1,981,821
	=====	=====	=====	=====
Supplemental disclosure of cash flow information:				
Cash paid during the period for:				
Interest	\$ 108,507	\$ 176,452	\$ 384,571	\$ 530,326
Income taxes	\$ --	\$ --	\$ --	\$ --

(See Notes to Consolidated Financial Statements)

CAPITAL SOUTHWEST CORPORATION
AND SUBSIDIARY
Notes to Consolidated Financial Statements

(Unaudited)

1. Basis of Presentation

The accompanying consolidated financial statements, which include the accounts of Capital Southwest Corporation and its wholly-owned small business investment company subsidiary (the "Company"), have been prepared on the fair value basis in accordance with accounting principles generally accepted in the United States of America for investment companies. All significant intercompany accounts and transactions have been eliminated in consolidation.

The financial statements included herein have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the instructions to Form 10-Q and Article 6 of Regulation S-X. The financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended March 31, 2002. Certain information and footnotes normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted, although the Company believes that the disclosures are adequate for a fair presentation. The information reflects all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the results of operations for the interim periods.

2. Summary of Per Share Information

	Three Months Ended September 30		Six Months Ended September 30	
	2002	2001	2002	2001
	-----	-----	-----	-----
Investment income	\$.23	\$.24	\$.46	\$.48
Operating expenses	(.07)	(.06)	(.13)	(.11)
Interest expense	(.02)	(.07)	(.06)	(.14)
Income taxes	(.01)	(.01)	(.02)	(.02)
	-----	-----	-----	-----
Net investment income	.13	.10	.25	.21
Distributions from undistributed net investment income	--	--	(.20)	(.20)
Net realized loss on investments	--	(.12)	(.08)	(.12)
Net increase (decrease) in unrealized appreciation of investments after deferred taxes	(8.43)	(.31)	(12.22)	3.70
Exercise of employee stock options (1)	--	(.08)	--	(.08)
	-----	-----	-----	-----
Increase (decrease) in net asset value	(8.30)	(.41)	(12.25)	3.51
Net asset value:				
Beginning of period	61.47	63.32	65.42	59.40
	-----	-----	-----	-----
End of period	\$ 53.17	\$ 62.91	\$ 53.17	\$ 62.91
	=====	=====	=====	=====
Increase (decrease) in deferred taxes on unrealized appreciation	\$ (4.54)	\$ (.25)	\$ (6.57)	\$ 1.83
Deferred taxes on unrealized appreciation:				
Beginning of period	22.02	22.87	24.05	20.79
	-----	-----	-----	-----
End of period	\$ 17.48	\$ 22.62	\$ 17.48	\$ 22.62
	=====	=====	=====	=====
Shares outstanding at end of period (000s omitted)	3,829	3,829	3,829	3,829

(1) Net decrease is due to the exercise of employee stock options at prices less than beginning of period net asset value.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Net asset value at September 30, 2002 was \$203,600,410, equivalent to \$53.17 per share after deducting an allowance of \$17.48 per share for deferred taxes on unrealized appreciation of investments. Assuming reinvestment of dividends, this represents a decrease of 13.3% during the past quarter, 18.5% during the first half of the current fiscal year and 14.7% during the past twelve months.

	September 30, 2002	September 30, 2001
	-----	-----
Net assets	\$ 203,600,410	\$ 240,877,527
Shares outstanding	3,829,051	3,829,051
Net assets per share	\$53.17	\$62.91

Results of Operations

The composite measure of the Company's financial performance in the Consolidated Statements of Operations is captioned "Increase (decrease) in net assets from operations" and consists of three elements. The first is "Net investment income", which is the difference between the Company's income from interest, dividends and fees and its combined operating and interest expenses, net of applicable income taxes. The second element is "Net realized gain (loss) on investments", which is the difference between the proceeds received from disposition of portfolio securities and their stated cost, net of applicable income tax expense. The third element is the "Net increase (decrease) in unrealized appreciation of investments", which is the net change in the market or fair value of the Company's investment portfolio, compared with stated cost, net of an increase or decrease in deferred income taxes which would become payable if the unrealized appreciation were realized through the sale or other disposition of the investment portfolio. It should be noted that the "Net realized gain (loss) on investments" and "Net increase (decrease) in unrealized appreciation of investments" are directly related in that when an appreciated portfolio security is sold to realize a gain, a corresponding decrease in net unrealized appreciation occurs by transferring the gain associated with the transaction from being "unrealized" to being "realized." Conversely, when a loss is realized on a depreciated portfolio security, an increase in net unrealized appreciation occurs.

Net Investment Income

Interest income in the six months ended September 30, 2002 decreased from the year-ago period primarily because of a decrease in loans to portfolio companies. During the six months ended September 30, 2002 and 2001, the Company recorded dividend income from the following sources:

	Six Months Ended September 30	
	----- 2002	----- 2001
AT&T Corp.	\$ 9,993	\$ 9,993
Alamo Group Inc.	338,556	338,556
Dennis Tool Company	12,500	24,999
Kimberly-Clark Corporation	46,308	43,221
The RectorSeal Corporation	480,000	480,000
Skylawn Corporation	300,000	300,000
TCI Holdings, Inc	40,635	40,635
Texas Shredder, Inc.	28,322	20,230
The Whitmore Manufacturing Company	120,000	120,000
Other	29,170	34,124
	-----	-----
	\$1,405,484	\$1,411,758
	=====	=====

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Interest expense in the six months ended September 30, 2002 decreased from the year-ago period primarily due to a decrease in interest rates.

Net Increase (Decrease) in Unrealized Appreciation of Investments

Set forth in the following table are the significant increases and decreases in unrealized appreciation (before the related change in deferred taxes and excluding the effect of gains or losses realized during the periods) by portfolio company:

	Three Months Ended September 30		Six Months Ended September 30	
	2002	2001	2002	2001
Alamo Group Inc	(5,642,000)	--	(5,642,000)	--
All Components, Inc.	--	(1,750,000)	--	(1,750,000)
Balco, Inc.	--	1,482,240	2,000,000	1,482,240
Concert Industries Ltd.	(2,781,000)	902,000	(4,967,000)	2,332,000
Encore Wire Corporation	(5,449,000)	1,363,000	(8,174,000)	5,449,000
Liberty Media Corporation (formerly AT&T Corp.-Liberty Media Group)	(1,910,302)	(3,244,804)	(3,698,670)	(880,636)
Mail-Well, Inc.	(3,270,548)	(524,000)	(4,633,548)	(1,572,000)
Organized Living, Inc.	(1,800,000)	--	(1,800,000)	(2,500,000)
Palm Harbor Homes, Inc.	(27,492,000)	--	(43,202,000)	15,710,000
PETSMART, Inc.	844,850	307,482	1,925,892	1,975,744
The RectorSeal Corporation	--	--	--	2,500,000
VocalData, Inc.	--	(749,998)	--	(1,489,803)

As reflected in the above table, at September 30, 2002, the value of our investment in Palm Harbor Homes, Inc. was reduced to reflect Palm Harbor's vulnerability to the increasingly unfavorable condition of the manufactured housing industry as the availability of floor plan financing for retailers has declined and more and more lenders have chosen to withdraw from manufactured housing mortgage financing for retail purchasers. The unfavorable industry climate has created intense price competition and reduced sales volume, adversely affecting Palm Harbor's earnings since its fiscal year ended March 31, 2000 and particularly during the first half of the current fiscal year.

Portfolio Investments

During the quarter ended September 30, 2002, the Company made new investments of \$3,000,000 and additional investments of \$157,830 in existing portfolio companies.

The Company has commitments, subject to certain conditions, to invest up to \$2,905,346 in five portfolio companies.

Financial Liquidity and Capital Resources

At September 30, 2002, the Company had cash and cash equivalents of approximately \$1.7 million. Pursuant to Small Business Administration ("SBA") regulations, cash and cash equivalents of \$0.7 million held by Capital Southwest Venture Corporation ("CSVC") may not be transferred or advanced to Capital Southwest Corporation without the consent of the SBA. Under current SBA regulations and subject to SBA's approval of its credit application, CSVC would be entitled to borrow up to \$63.8 million. The Company also has an unsecured \$20.0 million revolving line of credit from a commercial bank, of which \$8.5 million was available at September 30, 2002. With the exception of a capital gain distribution made in the form of a distribution of the stock of a portfolio company in the fiscal year ended March 31, 1996, the Company has elected to retain all gains realized during the past 34 years. Retention of future gains is

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

viewed as an important source of funds to sustain the Company's investment activity. Approximately \$26.4 million of the Company's investment portfolio is represented by unrestricted publicly-traded securities, which have an ascertainable market value and represent a primary source of liquidity.

Funds to be used by the Company for operating or investment purposes may be transferred in the form of dividends, management fees or loans from Skylawn Corporation, The RectorSeal Corporation and The Whitmore Manufacturing Company, wholly-owned portfolio companies of the Company, to the extent of their available cash reserves and borrowing capacities.

Management believes that the Company's cash and cash equivalents and cash available from other sources described above are adequate to meet its expected requirements. Consistent with the long-term strategy of the Company, the disposition of investments from time to time may also be an important source of funds for future investment activities.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

The Company is subject to financial market risks, including changes in marketable equity security prices. The Company does not use derivative financial instruments to mitigate any of these risks. The return on the Company's investments is not affected by foreign currency fluctuations.

The Company's investment in portfolio securities consists of fixed rate debt securities which totaled \$2,800,000 at September 30, 2002, equivalent to 1.0% of the value of the Company's total investments. Since these debt securities usually have relatively high fixed rates of interest, minor changes in market yields of publicly-traded debt securities have little or no effect on the values of debt securities in the Company's portfolio and no effect on interest income. The Company's investments in debt securities are generally held to maturity and their fair values are determined on the basis of the terms of the debt security and the financial condition of the issuer.

A portion of the Company's investment portfolio consists of debt and equity securities of private companies. The Company anticipates little or no effect on the values of these investments from modest changes in public market equity valuations. Should significant changes in market valuations of comparable publicly-owned companies occur, there may be a corresponding effect on valuations of private companies, which would affect the value and the amount and timing of proceeds eventually realized from these investments. A portion of the Company's investment portfolio also consists of restricted common stocks and warrants to purchase common stocks of publicly-owned companies. The fair values of these restricted securities are influenced by the nature of applicable resale restrictions, the underlying earnings and financial condition of the issuer, and the market valuations of comparable publicly-owned companies. A portion of the Company's investment portfolio also consists of unrestricted, freely marketable common stocks of publicly-owned companies. These freely marketable investments are directly exposed to equity price risks, in that a change in an issuer's public market equity price would result in an identical change in the value of the Company's investment in such security.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have reviewed and evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 240.13a-14(c) and 15d-14(c) as of a date within 90 days before the filing date of this quarterly report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's current disclosure controls and procedures are effective and timely, providing all material information relating to the Company required to be disclosed in reports filed or submitted under the Exchange Act.

Item 4. Controls and Procedures
(continued)

Changes in Internal Controls

There have not been any significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation. We are not aware of any significant deficiencies or material weaknesses, therefore no corrective actions were taken.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

The Company's Annual Meeting of Stockholders was held on July 15, 2002, with the following results of elections and approval:

	Votes Cast		
	For	Against/ Withheld	Abstentions/ Non-Votes
a. The following Directors were elected to serve until the next Annual Meeting of Stockholders:			
Graeme W. Henderson	3,440,681	28,769	359,601
Gary L. Martin	3,440,681	28,769	359,601
James M. Nolan	3,440,681	28,769	359,601
William R. Thomas	3,440,681	28,769	359,601
John H. Wilson	3,440,681	28,769	359,601
b. KPMG LLP was approved as the Company's auditors for the 2003 fiscal year.	3,452,226	6,214	370,611

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibits
 Exhibit 99.1-Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of the Chief Executive Officer of the Corporation.
 Exhibit 99.2-Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of the Chief Financial Officer of the Corporation.
- (b) Reports on Form 8-K
 No reports on Form 8-K have been filed during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CAPITAL SOUTHWEST CORPORATION

Date: November 8, 2002

By: /s/ William R. Thomas

William R. Thomas
President

Date: November 8, 2002

By: /s/ Susan K. Hodgson

Susan K. Hodgson
Secretary-Treasurer

FORM OF SARBANES-OXLEY SECTION 302(a) CERTIFICATION

I, William R. Thomas, Chief Executive Officer of the Company, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Capital Southwest Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the consolidated financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 8, 2002

By: /s/ William R. Thomas

William R. Thomas, Chief Executive Officer

FORM OF SARBANES-OXLEY SECTION 302(a) CERTIFICATION

I, Susan K. Hodgson, Chief Financial Officer of the Company, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Capital Southwest Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the consolidated financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 8, 2002

By: /s/ Susan K. Hodgson

Susan K. Hodgson, Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Capital Southwest Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William R. Thomas, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of the Company.

Date: November 8, 2002

By: /s/ William R. Thomas

William R. Thomas, Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Capital Southwest Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Susan K. Hodgson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of the Company.

Date: November 8, 2002

By: /s/ Susan K. Hodgson

Susan K. Hodgson, Chief Financial Officer