

Capital Southwest Venture Corporation  
12900 Preston Road, Suite 700  
Dallas, Texas 75230

(214) 233-8242 Telephone

Fax (214) 233-7362

November 20, 1996

Securities and Exchange Commission  
450 5th Street, N.W.  
Judiciary Plaza  
Washington, DC 20549

Gentlemen:

Pursuant to regulations of the Securities and Exchange Commission, submitted for filing on behalf of Capital Southwest Venture Corporation is the Company's Semi-Annual Report, Form N-SAR for Registered Investment Companies, for the period year ended September 30, 1996.

This filing is being effected by direct transmission to the Commission's EDGAR System.

Sincerely,

/s/ Susan Patterson

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Susan Patterson  
Controller

FORM N-SAR  
SEMI-ANNUAL REPORT  
FOR REGISTERED INVESTMENT COMPANIES

Report for six month period ending: 09/30/96 (a)  
or fiscal year ending: (b)

Is this a transition report? (Y/N) N  
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Is this an amendment to a previous filing? (Y/N) N  
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Those items or sub-items with a box after the item number should be completed only if the answer has changed from the previous filing on this form.

1. A. Registrant Name: Capital Southwest Venture Corporation
- B. File Number: 811-1947
- C. Telephone Number: (972) 233-8242
  
2. A. Street: 12900 Preston Road, Suite 700
- B. City: Dallas C. State: Texas D. Zip Code: 75230 Zip Ext: 1314
- E. Foreign Country: Foreign Postal Code:
  
3. Is this the first filing on this form by Registrant? (Y/N) N  
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4. Is this the last filing on this form by Registrant? (Y/N) N  
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5. Is Registrant a small business investment company (SBIC)? (Y/N) Y  
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6. Is Registrant a unit investment trust(UIT)? (Y/N) N  
[If answer is "Y" (Yes), complete only items 89 through 110.]  
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7. A. Is Registrant a series or multiple portfolio company? (Y/N) N  
[If answer is "N" (No), go to item 8.]  
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- B. How many separate series or portfolios did Registrant have at the end of the period? -----



For period ending 09/30/96  
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FINANCIAL INFORMATION

97. A. How many months do the answers to items 97 and 98 cover? 6 Months  
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For period covered by this form  
(\$000's omitted)  
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INCOME		
B.	Net interest income _____	\$ 517
C.	Net dividend income _____	\$ 627
D.	Account maintenance fees _____	\$ _____
E.	Net other income _____	\$ _____
EXPENSES		
F.	Gross advisory fees _____	\$ _____
G.	Gross administrator(s) fees _____	\$ _____
H.	(Negative answers allowed for 97H through 97S) Salaries and other compensation _____	\$ _____
I.	Shareholder servicing agent fees _____	\$ _____
J.	Custodian fees _____	\$ _____
K.	Postage _____	\$ _____
L.	Printing expenses _____	\$ _____
M.	Directors' fees _____	\$ _____
N.	Registration fees _____	\$ _____
O.	Taxes _____	\$ 6
P.	Interest _____	\$ 431
Q.	Bookkeeping fees paid to anyone performing this service _____	\$ _____
R.	Auditing fees _____	\$ 2
S.	Legal fees _____	\$ _____

For period ending 09/30/96  
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Expenses (Negative answers allowed on this screen for  
97T through 97W and 97Z only)

For period covered by this form  
(\$000's omitted)  
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T.	Marketing/distribution payments including payments pursuant to a Rule 12b-1 plan _____	\$ _____	
U.	Amortization of organization expenses _____	\$ _____	
V.	Shareholder meeting expenses _____	\$ _____	
W.	Other expenses _____	\$ _____	64
X.	Total expenses _____	\$ _____	503
Y.	Expense reimbursements _____	\$ _____	
Z.	Net investment income _____	\$ _____	641 *
AA.	Realized capital gains _____	\$ _____	
BB.	Realized capital losses _____	\$ _____	
CC.	1. Net unrealized appreciation during the period _____	\$ _____	
	2. Net unrealized depreciation during the period _____	\$ _____	
DD.	Total income dividends for which record date passed during the period	\$ _____	
EE.	Total capital gains distributions for which record date passed during the period	\$ _____	
98.	Payments per share outstanding during the entire current period:		
A.	Dividends from net investment income _____	\$ _____	**
NOTE:	Show in fractions of a cent if so declared.		
B.	Distributions of capital gains _____	\$ _____	**
C.	Other distributions _____	\$ _____	
NOTE:	Show in fractions of a cent if so declared.		

\* Negative answer permitted in this field.  
\*\* Items 98A and 98B should be of the form mn.nnnn (where n = integer).

For period ending 09/30/96  
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File Number 811-1947  
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As of the end of  
current reporting period  
(000's omitted)  
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99.	Assets, liabilities, shareholders' equity:	
		664
A.	Cash _____	\$ _____
B.	Repurchase agreements _____	\$ _____
		3,839
C.	Short-term debt securities other than repurchase agreements _____	\$ _____
		4,759
D.	Long-term debt securities including convertible debt _____	\$ _____
		4,748
E.	Preferred, convertible preferred and adjustable rate preferred stock _____	\$ _____
		71,778
F.	Common stock _____	\$ _____
G.	Options on equities _____	\$ _____
H.	Options on all futures _____	\$ _____
I.	Other investments _____	\$ _____
J.	Receivables from portfolio instruments sold _____	\$ _____
		13
K.	Receivables from affiliated persons _____	\$ _____
		42
L.	Other receivables _____	\$ _____
		54
M.	All other assets _____	\$ _____
		85,897
N.	Total assets _____	\$ _____

For period ending 09/30/96  
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As of the end of  
current reporting period  
(000's omitted except for  
per share amounts and  
number of accounts)  
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O.	Payables for portfolio instruments purchased _____	\$ _____	
			33
P.	Amounts owed to affiliated persons _____	\$ _____	
			5,000
Q.	Senior long-term debt _____	\$ _____	
			22,141
R.	All other liabilities _____	\$ _____	
S.	Senior equity _____	\$ _____	
			58,723
T.	Net assets of common shareholders _____	\$ _____	
			1,000
U.	Number of shares outstanding _____	\$ _____	
			58.72 *
V.	Net asset value per share (to nearest cent) _____	\$ _____	
W.	Mark-to-market net asset value per share for money market funds only (to 4 decimals) _____	\$ _____	***
			1
X.	Total number of shareholder accounts _____	\$ _____	
Y.	Total value of assets in segregated accounts _____	\$ _____	
			57,709
100.	Monthly average net assets during current reporting period (\$000's omitted) _____	\$ _____	
101.	Market price per share at end of period _____	\$ _____	

\* Net asset value per share must be of the form nnn.nn (where n = integer).  
\*\* Value must be of the form nnn.nnnn (where n = integer).

For period ending 09/30/96  
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File Number 811-1947  
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102. A. Is the Registrant filing any of the following attachments with the current  
filing of Form N-SAR? Y  
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Y/N

NOTE: If answer is "Y" (Yes), mark those items below being filed as an  
attachment to this form or incorporate by reference.

- B. Matters submitted to a vote of security holders \_\_\_\_\_ y  
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Y
- C. Policies with respect to security investments \_\_\_\_\_
- D. Legal proceedings \_\_\_\_\_
- E. Changes in security for debt \_\_\_\_\_
- F. Defaults and arrears on senior securities \_\_\_\_\_
- G. Changes in control of Registrant \_\_\_\_\_
- H. Terms of new or amended securities \_\_\_\_\_
- I. Revaluation of assets or restatement of capital share account \_\_\_\_\_
- J. Changes in Registrant's certifying accountant \_\_\_\_\_
- K. Changes in accounting principles and practices \_\_\_\_\_
- L. Mergers \_\_\_\_\_
- M. Actions required to be reported pursuant to Rule 2a-7 \_\_\_\_\_
- N. Transactions effected pursuant to Rule 10f-3 \_\_\_\_\_
- O. Information required to be filed pursuant to existing exemptive orders \_\_\_\_\_

Attachment Information (Cont. on Screen 53)

CAPITAL SOUTHWEST VENTURE CORPORATION  
 Form N-SAR  
 For the period ended September 30, 1996  
 File Number 811-1947

Sub-Item 102.B. Matters submitted to a vote of security holders  
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The Company's Annual Meeting of Stockholders was held on July 15, 1996, with the following results of elections and approval:

	Votes Cast		
For	Against/ Withheld	Abstentions/ Non-Votes	
a. Amendment of the fundamental investment policies of Capital Southwest Venture Corporation was approved.	2,495,155	60,498	1,211,398

Sub-Item 102.C. Policies with respect to security investments  
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Sub-Item 102.C. Policies with respect to security investments

The amendment of the fundamental investment policies of Capital Southwest Venture Corporation on July 15, 1996, affected only paragraph A.(2) of its fundamental investment policies. This paragraph as it was amended is set forth below with a line drawn through deletions (--deletions--) and a line drawn below additions (additions):

A.(2) CSVC may borrow from Capital Southwest Corporation ("CSC"), from other sources of capital, and from the Small Business Administration ("SBA") and/or institutional lenders whose loans are guaranteed by SBA, on whatever basis SBA may from time to time establish for lending or providing guarantees for indebtedness of small business investment companies --provided that CSC will not guarantee any such borrowing.-- However, CSVC may not borrow from any person other than CSC, if CSC has outstanding publicly distributed senior securities.--In no event will CSVC borrowing in the aggregate exceed four times the amount of its paid in capital and surplus.-- All borrowing by CSVC will conform to the requirements of the 1940 Act and its rules and regulations, as modified by any exemptive orders issued thereunder.

The affirmative vote of the holders of a majority of the Corporation's outstanding voting securities (Common Stock), as such term is defined in the 1940 Act, was required to approve the proposed amendment to the fundamental investment policies of CSVC.

This report is signed on behalf of the Registrant, in the City of Dallas, State of Texas, on the 20th of November, 1996.

CAPITAL SOUTHWEST VENTURE CORPORATION

By: /s/ Tim Smith  
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Tim Smith, Vice President & Secretary-Treasurer

Witness: /s/ William R. Thomas  
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William R. Thomas, President