

SPARTA COMMERCIAL SERVICES, INC.
Form 10-Q/A
April 26, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q/A

(Mark One)

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

For the quarterly period ended January 31, 2011

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

For the transition period from _____ to _____.

Commission file number: 0-9483

SPARTA COMMERCIAL SERVICES, INC.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

30-0298178
(IRS Employer Identification No.)

462 Seventh Ave, 20th Floor, New York, NY 10018
(Address of principal executive offices) (Zip Code)

(212) 239-2666
(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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 504 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to file such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of March 18, 2011, we had 471,564,509 shares of common stock issued and outstanding.

SPARTA COMMERCIAL SERVICES, INC.

FORM 10-Q/A
FOR THE QUARTER ENDED JANUARY 31, 2011

INTRODUCTORY NOTE

This report on Form 10-Q/A (the “Amendment”) revises our Quarterly Report on Form 10-Q for the quarter ended January 31, 2011 to discuss impact of ASU 2010-20, Receivables (Topic 310) in the Note D to the financial statements and to add a description of ASU 2010-20, Receivables (Topic 310) , to the Recent Accounting Pronouncements section of the notes to the financial statements.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SPARTA COMMERCIAL SERVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	January 31, 2011 (Unaudited)	April 30, 2010
ASSETS		
Cash and cash equivalents	\$26,856	\$11,994
RISC loan receivables, net of reserve of \$96,517 and \$132,000, respectively (NOTE D)	1,106,378	1,761,474
Motorcycles and other vehicles under operating leases net of accumulated depreciation of \$231,322 and \$219,492 respectively, and loss reserve of \$14,889 and \$15,865, respectively (NOTE B)	269,494	305,265
Interest receivable	23,014	26,772
Purchased Portfolio (NOTE G)	26,004	33,559
Accounts receivable	127,625	98,322
Inventory (NOTE C)	6,443	14,622
Property and equipment, net of accumulated depreciation and amortization of \$173,483 and \$163,824, respectively (NOTE E)	17,764	27,423
Prepaid Expenses	147,296	0
Good will	10,000	
Restricted cash	73,624	146,333
Other Assets	-	3,628
Deposits	48,967	48,967
Total assets	\$1,883,465	\$2,478,358
LIABILITIES AND DEFICIT		
Liabilities:		
Accounts payable and accrued expenses	\$1,023,285	\$794,811
Senior Secured Notes Payable (NOTE F)	1,220,584	2,010,989
Notes Payable Net of Beneficial Conversion Feature of \$60,902 and 0, respectively (NOTE G)	1,337,354	864,399
Loans payable-related parties (NOTE H)	386,760	383,760
Other liabilities	70,217	20,513
Derivative Liabilities	454,612	0
Deferred revenue	3,600	7,650
Total liabilities	4,496,411	4,082,121
Deficit:		
Preferred stock, \$.001 par value; 10,000,000 shares authorized of which 35,850 shares have been designated as Series A convertible preferred stock, with a stated value of \$100 per share, 125 and 125 shares issued and outstanding, respectively	12,500	12,500
	1	1

Preferred Stock B, 1,000 shares have been designated as Series B redeemable preferred stock, \$0.001 par value, with a liquidation and redemption value of \$10,000 per share, 157 and 157 shares issued and outstanding, respectively

Preferred Stock C, 200,000 shares have been designated as Series C redeemable, convertible preferred, \$0.001 par value, with a liquidation and redemption value of \$10 per share, 0 and 42,000 shares issued and outstanding, respectively

Common stock, \$.001 par value; 750,000,000 shares authorized, 465,250,800 and 392,782,210 shares issued and outstanding, respectively	465,251	392,782
Common stock to be issued, 40,495,585 and 23,967,965, respectively	40,496	23,967
Preferred Stock B to be issued, 5.4 and 0 shares, respectively	-	-
Subsidiary Common and Preferred Stock to be issued	1,067	-
Additional paid-in-capital	32,743,810	31,470,653
Subscriptions Receivable	(2,118,309)	(2,118,309)
Accumulated deficit	(34,028,971)	(31,385,400)
Total deficiency in stockholders' equity	(2,884,155)	(1,603,763)
Noncontrolling interest	271,208	
Total Deficit	(2,612,947)	(1,603,763)
Total Liabilities and Deficit	\$1,883,465	\$2,478,358

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SPARTA COMMERCIAL SERVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF LOSSES
FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2011 AND 2010
(UNAUDITED)

	Three Months Ended January 31,	Nine Months Ended January 31,
2011		