

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

FORM 10-QSB

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended January 31, 2006

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: 333-127170

NITAR TECH CORP.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

98-0476582
(I.R.S. Employer Identification No.)

3950 Worthview Place
Mississauga, Ontario, CANADA, L5N 6S7
(Address of principal executive offices, including zip code)

(905) 824-5306 [ext. 201]
(Registrant's telephone number, including area code)

Check 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 by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [] No [X]

The number of shares of the Registrant's common stock issued and outstanding at March 9, 2006, was 11,051,118.

Transitional Small Business Disclosure Format: Yes [] No [X]

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PART I - FINANCIAL INFORMATION

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**NITAR TECH CORP. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS**

	January 31, 2006 (unaudited)	July 31, 2005
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ —	\$ 585
Accounts Receivable – Net of Allowance for Doubtful Accounts	9,274	6,710
Prepaid Expenses	3,454	4,875
Deferred Tax Asset	—	3,681
TOTAL CURRENT ASSETS	12,728	15,851
Property and Equipment – Net of Accumulated Depreciation	4,829	5,180
Software Development Costs – Net of Accumulated Amortization	393,075	421,441
Deferred Financing Costs	628,902	590,000
TOTAL ASSETS	\$ 1,039,534	\$ 1,032,472
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank Overdraft	\$ 14,287	\$ —
Accounts Payable and Accrued Liabilities	42,833	28,224
Deferred Tax Liability	5,554	—
TOTAL CURRENT LIABILITIES	62,674	28,224
OTHER LIABILITIES		
Deferred Tax Liability	2,434	36,880
Shareholder Advances	533	500
TOTAL LIABILITIES	65,641	65,604
STOCKHOLDERS' EQUITY		
Common stock, \$0.001 par value; 50,000,000 shares authorized, 11,051,118 shares issued and outstanding	11,051	11,051
Additional-Paid-In-Capital	860,336	835,500
Retained Earnings	(22,848)	57,283
Accumulated Comprehensive Income	125,354	63,034
TOTAL STOCKHOLDERS' EQUITY	973,893	966,868
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,039,534	\$ 1,032,472

NITAR TECH CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended January 31, 2006 (unaudited)	Three Months Ended January 31, 2005 (unaudited)
NET REVENUES		
Consulting	\$ 39,097	\$ 22,539
Software Licensing Fees	27,172	21,873
TOTAL NET REVENUES	66,269	44,412
COST OF REVENUES AND OPERATING EXPENSES		
Cost of Revenues	41,816	30,610
Sales and Marketing	9,770	5,029
General and Administrative	44,290	20,176
Depreciation and Amortization	27,931	27,023
TOTAL COST OF REVENUES AND OPERATING EXPENSES	123,807	82,838
(LOSS) INCOME FROM OPERATIONS	(57,538)	(38,426)
Interest expense	618	1,712
(LOSS) INCOME BEFORE INCOME TAXES	(58,156)	(40,138)
(Benefit From) Provision for Income Taxes	(14,539)	(10,035)
NET INCOME (LOSS)	(43,617)	(30,103)
COMPREHENSIVE INCOME		
Foreign Currency Translation Income (Loss)	24,183	(3,918)
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ (19,434)	\$ (34,021)
NET INCOME (LOSS) PER COMMON SHARE-BASIC AND DILUTED	\$ (0.00)	\$ (0.00)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
BASIC AND DILUTED	11,051,118	10,522,936

NITAR TECH CORP. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

	Six Months	Six Months
	Ended	Ended
	January 31,	January 31,
	2006	2005
	(unaudited)	(unaudited)
NET REVENUES		
Consulting	\$ 108,670	\$ 22,352
Software Licensing Fees	40,564	50,222
TOTAL NET REVENUES	149,234	72,574
COST OF REVENUES AND OPERATING EXPENSES		
Cost of Revenues	87,850	55,939
Sales and Marketing	35,131	8,212
General and Administrative	76,568	34,720
Depreciation and Amortization	55,413	52,528
TOTAL COST OF REVENUES AND OPERATING EXPENSES	254,962	151,399
(LOSS) INCOME FROM OPERATIONS	(105,728)	(78,825)
Interest expense	1,112	2,674
(LOSS) INCOME BEFORE INCOME TAXES	(106,840)	(81,499)

(Benefit From) Provision for Income Taxes	(26,709)	(20,375)
NET INCOME (LOSS)	(80,131)	(61,124)
COMPREHENSIVE INCOME		
Foreign Currency Translation Income	62,320	42,341
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ (17,811)	\$ (18,783)
NET INCOME (LOSS) PER COMMON SHARE-BASIC AND DILUTED	\$ (0.01)	\$ (0.01)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
BASIC AND DILUTED	11,051,118	10,522,936

NITAR TECH CORP. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended January 31, 2006 (unaudited)	Six Months Ended January 31, 2005 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ (80,131)	\$ (61,124)
<i>Non-Cash Adjustments</i>		
Contributed Services by Shareholders	24,834	23,439
Depreciation and Amortization Expense	55,413	52,528
Bad Debt Expense	5,094	(2,404)