

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549  
FORM 10-Q

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

For the quarterly period ended December 31, 2014  
OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 000-53238



CENTREX, INC.

(Exact name of small business issuer as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or  
organization)

30-0399914  
(I.R.S. Employer Identification No.)

19 Engineers Lane  
Farmingdale, New York 11735  
(Address, including zip code, of principal executive offices)

631-756-9116  
(Issuer's telephone number)

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 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  Accelerated filer   
Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of February 9, 2015 the issuer had 40,674,129 shares of common stock issued and outstanding.

CEMTREX, INC. AND SUBSIDIARIES

INDEX

	<u>Page</u>
<b><u>PART I. FINANCIAL INFORMATION</u></b>	
<b><u>Item 1. Consolidated Financial Statements</u></b>	
<u>Consolidated Balance Sheets as of December 31, 2014 (Unaudited) and September 30, 2014</u>	3
<u>Consolidated Statements of Operations and Comprehensive Income/(Loss) for the three months Ended December 31, 2014 and December 31, 2013 (Unaudited)</u>	4
<u>Consolidated Statements of Cash Flow the three months Ended December 31, 2014 and December 31, 2013 (Unaudited)</u>	5
<u>Notes to Unaudited Consolidated Financial Statements</u>	6
<b><u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u></b>	12
<b><u>Item 4. Controls and Procedures</u></b>	15
<b><u>PART II. OTHER INFORMATION</u></b>	
<b><u>Item 6. Exhibits</u></b>	16
<b><u>SIGNATURES</u></b>	17

**Part I. Financial Information****Item 1. Financial Statements****Cemtrex, Inc. and Subsidiaries  
Consolidated Balance Sheets  
(Unaudited)**

	December 31, 2014	September 30, 2014
<b>Assets</b>		
Current assets		
Cash and equivalents	\$ 1,118,590	\$ 146,095
Short-term investments	312,382	559,815
Trade receivables, net	3,038,576	4,038,340
Inventory –net of allowance for inventory obsolescence	6,378,381	6,270,327
Prepaid expenses and other assets	888,629	531,262
Total current assets	11,736,558	11,545,839
Property and equipment, net	7,407,959	7,399,096
Goodwill	845,000	845,000
Other	38,259	52,428
<b>Total Assets</b>	<b>\$ 20,027,776</b>	<b>\$ 19,842,363</b>
<b>Liabilities &amp; Stockholders' Equity (Deficit)</b>		
Current liabilities		
Accounts payable	\$ 2,982,949	\$ 2,721,705
Accrued expenses	573,788	440,436
Accrued income taxes	60,514	62,032
Convertible notes payable	358,000	-
Current portion of long-term liabilities	686,963	689,769
Total current liabilities	4,662,214	3,913,942
Long-term liabilities		
Loans payable to bank	5,115,568	5,508,199
Mortgage payable	4,602,555	4,906,922
Notes payable - related party	1,678,001	1,869,791
Total liabilities	16,058,338	16,198,854
Commitments and contingencies	-	-
Stockholders' equity (deficit)		
Preferred stock series A, \$0.001 par value, 10,000,000 shares authorized, 1,000,000 shares issued and outstanding, respectively	1,000	1,000
Common stock, \$0.001 par value, 60,000,000 shares authorized, 40,649,129 shares issued and outstanding at December 31, 2014 and 40,599,129 shares issued and outstanding at September 30, 2014	40,649	40,599
Additional paid-in capital	180,680	165,730
Retained earnings (accumulated deficit)	3,989,611	3,592,739
Accumulated other comprehensive income (loss)	(242,502)	(156,559)
Total stockholders' equity (deficit)	3,969,438	3,643,509
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 20,027,776</b>	<b>\$ 19,842,363</b>

*The accompanying notes are an integral part of these financial statements*

**Centrex, Inc. and Subsidiaries**  
**Consolidated Statements of Operations and Comprehensive Income/(Loss)**  
(Unaudited)

	For the three months ended December 31,	
	2014	2013
Revenues	\$ 13,842,789	\$ 8,964,380
Cost of revenues	9,819,732	6,139,642
Gross profit	4,023,057	2,824,738
Operating expenses		
General and administrative	3,621,822	2,367,061
Total operating expenses	3,621,822	2,367,061
Operating income (loss)	401,235	457,677
Other income (expense)		
Other Income (expense)	57,549	18,509
Interest Expense	(140,612)	(54,358)
Total other income (expense)	(83,063)	(35,849)
Net income (loss) before income taxes	318,172	421,828
Provision for income taxes	(78,700)	5,276
Net income (loss)	396,872	416,552
Other comprehensive income/(loss)		
Foreign currency translation gain/(loss)	(85,943)	-
Comprehensive income/(loss)	\$ 310,929	\$ 416,552
Income (Loss) Per Share-Basic	\$ 0.01	\$ 0.01
Income (Loss) Per Share-Diluted	\$ 0.01	\$ 0.01
Weighted Average Number of Shares-Basic	40,630,997	40,599,129
Weighted Average Number of Shares-Diluted	40,704,044	40,599,129

*The accompanying notes are an integral part of these financial statements*

**Centrex, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(Unaudited)

	<b>For the three months ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Cash Flows from Operating Activities</b>		
Net income (loss)	\$ 396,872	\$ 416,552
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	141,174	(664,225)
Share-based compensation	15,000	-
Changes in operating assets and liabilities:		
Trade receivables	999,764	(2,117,383)
Inventory	(108,054)	(5,134,954)
Prepaid expenses and other assets	(357,367)	(1,243,281)
Others	14,169	-
Accounts payable	261,244	1,214,702
Accrued expenses	133,352	199,197
Income taxes payable	(1,518)	3,445
<b>Net cash provided by (used by) operating activities</b>	<b>1,494,636</b>	<b>(7,325,947)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(150,037)	-
Redemption of short-term investments	247,433	-
Purchase of investments	-	(4,229,233)
<b>Net cash used in investing activities</b>	<b>97,396</b>	<b>(4,229,233)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from affiliated Loan	-	7,052,837
Payments on affiliated loan	(191,790)	-
Proceeds from bank loans	-	5,068,614
Payments on bank loans	(785,747)	-
Proceeds from convertible notes	358,000	-
<b>Net cash provided by (used by) financing activities</b>	<b>(619,537)</b>	<b>12,121,451</b>
Net increase (decrease) in cash	972,495	566,271
Cash beginning of period	146,095	66,963
<b>Cash end of period</b>	<b>\$ 1,118,590</b>	<b>\$ 633,234</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the period for interest	\$ 96,737	\$ -
Cash paid during the period for income taxes	\$ 1,518	\$ -

*The accompanying notes are an integral part of these financial statements*

**Cemtrex Inc. and Subsidiaries**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

NOTE 1 – ORGANIZATION AND PLAN OF OPERATIONS

Cemtrex Inc. ("Cemtrex" or the "Company") is a diversified international company offering a range of products, systems, and solutions in a wide variety of industries around the world to meet today's technological challenges. Cemtrex, through its wholly owned subsidiaries provides electronic manufacturing services of custom engineered printed circuit board assemblies, emission monitors & instruments for industrial processes, and environmental control & air filtration systems for industries & utilities.

Cemtrex, through its Electronics Manufacturing Services (EMS) group, provides end to end electronic manufacturing services, which includes product design and sustaining engineering services, printed circuit board assembly and production, cabling and wire harnessing, systems integration, comprehensive testing services and completely assembled electronic products. Cemtrex, through its Environmental Products and Systems group, sells a complete line of air filtration and environmental control products to a wide variety of industrial and manufacturing industries worldwide. The Company through its Monitoring Instruments and Products (MIP) group manufactures sells, and services monitoring instruments, software and systems for measurement of emissions of Greenhouse gases, hazardous gases, particulate and other regulated pollutants used in emissions trading globally as well as for industrial processes. The Company also markets monitoring and analysis equipment for gas and liquid measurement for various downstream oil & gas applications as well as various industrial process applications.

Cemtrex, Inc. was incorporated as Diversified American Holding, Inc. on April 27, 1998. On December 16, 2004, the Company changed its name to Cemtrex, Inc.

On October 31, 2013, the Company completed the acquisition of the privately held ROB Group, a leader in electronics manufacturing solutions located in Neulingen, Germany. The ROB Group, founded in 1989, consisted of 4 distinct operating companies, forming a complete electronics design, manufacturing, assembly, and cabling solutions provider that serves the electronics and cabling needs of some of the largest companies in the world in the Medical, Automation, Industrial, and Renewable Energy industries. ROB Group also has a manufacturing facility in Sibiu, Romania. ROB Cemtrex GmbH now operates as a subsidiary of Cemtrex, Inc. (see NOTE 10).

NOTE 2 – BASIS OF PRESENTATION AND CRITICAL ACCOUNTING POLICIES

**Basis of Presentation and Use of Estimates**

The accompanying unaudited financial information should be read in conjunction with the audited consolidated financial statements and the notes thereto included in the Annual Report on Form 10-K for the year ended September 30, 2014 ("2014 Annual Report") of Cemtrex Inc. ("Cemtrex" or the "Company"). A summary of the Company's significant accounting policies is identified in Note 1 of the notes to the consolidated financial statements included in the Company's 2014 Annual Report. There have been no changes in the Company's significant accounting policies subsequent to September 30, 2014.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X pursuant to the requirements of the U.S. Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The results of operations for the interim periods are not necessarily indicative of the results of operations for the entire year.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, the disclosure of contingent assets and liabilities in the consolidated financial statements and the accompanying notes, and the reported amounts of revenues, expenses and cash flows during the periods presented. Actual amounts and results could differ from those estimates. The estimates and assumptions the Company makes are based on historical factors, current circumstances and the experience and judgment of the Company's management. The Company evaluates its estimates and assumptions on an ongoing basis.

The consolidated financial statements of the Company include the accounts of its 100% owned subsidiaries, Griffin Filters LLC, Cemtrex Ltd., and ROB Cemtrex GmbH. All significant intercompany balances and transactions have been eliminated.

### Significant Accounting Policies

Note 2 of the Notes to Consolidated Financial Statements, included in the annual report on Form 10-K for the year ended September 30, 2014, includes a summary of the significant accounting policies used in the preparation of the consolidated financial statements.

#### Reclassifications

Certain reclassifications have been made to prior period amounts to conform to the current period presentation.

### NOTE 3 – FAIR VALUE MEASUREMENTS

The Company complies with the provisions of ASC 820 “Fair Value Measurements and Disclosures” (“ASC 820”). Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

The following tables present information about the Company’s assets measured at fair value as of December 31, 2014 and December 31, 2013:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2014
<b>Assets</b>				
Investment in certificates of deposit (included in short-term investments)	\$ 312,382	\$ -	\$ -	\$ 312,382
	<u>\$ 312,382</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 312,382</u>
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)	Balance as of December 31, 2013
<b>Assets</b>				
Investment in certificates of deposit (included in short-term investments)	\$ 780,005	\$ -	\$ -	\$ 780,005
	<u>\$ 780,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 780,005</u>

NOTE 4 – TRADE RECEIVABLES, NET

Trade receivables, net consist of the following:

	December 31, 2014	September 30, 2014
Trade receivables	\$ 3,105,503	\$ 4,106,441
Allowance for doubtful accounts	(66,927)	(68,101)
	<u>\$ 3,038,576</u>	<u>\$ 4,038,340</u>

Trade receivables include amounts due for shipped products and services rendered.

Allowance for doubtful accounts include estimated losses resulting from the inability of our customers to make required payments.

NOTE 5 – INVENTORY, NET

Inventory, net of reserves, consist of the following:

	December 31, 2014	September 30, 2014
Raw materials	\$ 3,276,941	\$ 3,449,501
Work in progress	1,354,602	1,254,013
Finished goods	1,895,805	1,715,780
	<u>6,527,348</u>	<u>6,419,294</u>
Less: Allowance for inventory obsolescence	(148,967)	\$ (148,967)
Inventory –net of allowance for inventory obsolescence	<u>\$ 6,378,381</u>	<u>\$ 6,270,327</u>

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	December 31, 2014	September 30, 2014
Land	1,291,367	\$ 1,065,500
Building	4,267,427	4,387,880
Furniture and office equipment	458,889	316,715
Computer software	86,491	46,619
Machinery and equipment	2,289,872	2,234,423
	<u>8,394,046</u>	<u>8,051,137</u>
Less: Accumulated depreciation	(986,087)	(652,041)
Property and equipment, net	<u>7,407,959</u>	<u>\$ 7,399,096</u>

NOTE 7 – PREPAID AND OTHER CURRENT ASSETS

On December 31, 2014 the Company had prepaid and other current assets consisting of prepayments on inventory purchases of \$805,929, the current year income tax benefit of \$78,700 and travel advances of \$4,000. On December 31, 2013 the company had prepaid and other current assets consisting of prepayments on inventory purchases of \$1,101,156.



#### NOTE 8 – CONVERTIBLE NOTES PAYABLE

The Company issued convertible notes to KBM Worldwide Inc., an unrelated third party, in the amounts of \$204,000 and \$154,000 on October 31, 2014 and December 19, 2014 respectively. Each convertible note matures in nine (9) months with an interest rate of 8% per annum, and can be converted into Company's common stock at a conversion price equaling 65% of the market price only after six months from the date of issuance at the holder's option.

#### NOTE 9 – LONG-TERM LIABILITIES

##### *Loans payable to bank*

On October 31, 2013, the company acquired a loan from Sparkasse Bank of Germany in the amount of €3,000,000 (\$4,006,500, based upon exchange rate on October 31, 2013) in order to fund the purchase of ROB Centrex GmbH. \$2,799,411 of the proceeds went to direct purchase of ROB Centrex GmbH and \$1,207,089 funded beginning operations. This loan carries interest of 4.95% per annum and is payable on October 30, 2021.

On October 31, 2013, the company acquired a loan from Sparkasse Bank of Germany in the amount of €1,000,000 (\$1,335,500, based upon exchange rate on October 31, 2013) in order to further fund the operations of ROB Centrex GmbH. This loan carries interest of 4.00% per annum and is payable on October 30, 2015. In February of 2014 and in May of 2014 the Company increased this credit line by €500,000 at each instance to a total of €2,000,000.

On May 28, 2014 the Company financed an upgrade of the information technology infrastructure for ROB Centrex GmbH. The purchase was fully financed through Sparkasse Bank of Germany for €200,000 (\$272,840 based upon the exchange rate on May 28, 2014). This loan carries interest of 4.50% and is payable over 4 years.

##### *Mortgage payable*

On March 1, 2014 the Company completed the purchase of the building that ROB Centrex GmbH occupies in Neulingen, Germany. The purchase was fully financed through Sparkasse Bank of Germany for €4,000,000 (\$5,500,400 based upon the exchange rate on March 1, 2014). This mortgage carries interest of 3.00% and is payable over 17 years.

##### *Notes payable - related party*

Please see Note 11 – Related Party Transactions for details on notes payable to Ducon Technologies, Inc..

#### NOTE 10 – BUSINESS COMBINATION

On October 31, 2013, the Company completed the acquisition of the privately held ROB Group, a leader in electronics manufacturing solutions located in Neulingen, Germany. The ROB Group, founded in 1989, consisted of 4 distinct operating companies, forming a complete electronics design, manufacturing, assembly, and cabling solutions provider that serves the electronics and cabling needs of some of the largest companies in the world in the Medical, Automation, Industrial, and Renewable Energy industries. ROB Group also has a manufacturing facility in Sibiu, Romania. ROB Centrex GmbH now operates as a subsidiary of Centrex, Inc..

The acquisition date fair value of the total consideration transferred was \$5.936 million, which consisted of the following:

Loan from bank	3,133,286
Loan from related party	2,803,012
Total Purchase Price	<u>\$ 5,936,298</u>

In accordance with Accounting Standards Codification ("ASC") 805, Business Combinations ("ASC 805"), the total purchase consideration is allocated to the net tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values as of October 31, 2013 (the acquisition date). The purchase price was allocated based on the information currently available, and may be adjusted after obtaining more information regarding, among other things, asset valuations, liabilities assumed, and revisions of preliminary estimates.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the acquisition date:

Inventories	\$ 4,941,350
Property and Equipment	981,593
Other long-term assets	<u>13,355</u>
Net assets acquired	<u>\$ 5,936,298</u>

#### NOTE 11 – RELATED PARTY TRANSACTIONS

The Company had sales to Ducon Technologies, Inc., a related party, totaling \$0 and \$319,053 for the three months ended December 31, 2014 and 2013, respectively. The accounts receivable from Ducon Technologies, Inc. totaled \$0 at December 31, 2014 and \$1,175,425 at December 31, 2013.

The Company has prepaid expenses Ducon Technologies, Inc. a related party in the amount of \$0 and \$1,101,516 for supplies at December 31, 2014 and December 31, 2013.

The Company has Notes payable to Ducon Technologies Inc., totaling \$1,678,001 and \$1,226,505 at December 31, 2014 and December 31, 2013, respectively. These notes are unsecured and carry 5% interest per annum.

On September 8th, 2009, the Company issued 1,000,000 Series A Preferred Shares and 2,500,000 common shares to Aron Govil, the former Chairman of the Company, in conjunction with the termination of a convertible note in the amount of \$1,300,000 that was convertible into 30,000,000 non-assessable shares of common stock of the Company at \$0.001 (par value) per share.

#### NOTE 12 – STOCKHOLDERS' EQUITY

##### *Series A Preferred Stock*

The Company is authorized to issue 10,000,000 shares of Series A Preferred Stock, \$0.001 par value. As of June 30, 2014 and September 30, 2013, there were 1,000,000 shares issued and outstanding, respectively.

Each issued and outstanding Series A Preferred Share shall be entitled to the number of votes equal to the result of: (i) the number of shares of common stock of the Company issued and outstanding at the time of such vote multiplied by 1.01; divided by (ii) the total number of Series A Preferred Shares issued and outstanding at the time of such vote, at each meeting of shareholders of the Company with respect to any and all matters presented to the shareholders of the Company for their action or consideration, including the election of directors. Holders of Series A Preferred Shares shall vote together with the holders of Common Shares as a single class.

During the three month period ending December 31, 2014 and 2013, the Company did not issue any Series A Preferred Stock.

### *Common Stock*

The Company is authorized to issue 60,000,000 shares of common stock, \$0.001 par value. As of December 31, 2013 there were 40,649,129 shares issued and outstanding and at September 30, 2013, there were 40,599,129 shares issued and outstanding.

During the three month period ended December 31, 2014 the Company issued 50,000 shares of common stock related to the stock options discussed below. During the three month period ended December 31, 2013, the Company did not issue any common stock.

During the fiscal year ended September 30, 2014 the company granted stock options for 600,000 shares to employees of the Company. These options have a call price of \$0.30 per share, vest over four years, and expire after six years. As of December 31, 2014, 50,000 shares have been exercised and none have expired or have been cancelled.

### NOTE 13 – COMMITMENTS AND CONTIGENCIES

The Company leases its principal office at Farmingdale, New York, 4,000 square feet of office and warehouse/shop space in a single story commercial structure on a month to month lease from Ducon Technologies Inc., at a monthly rental of \$4,000.

The Company's subsidiary Griffin Filters LLC leases approx. 5,000 sq. ft. of office and warehouse space in Liverpool, New York from a third party in a five year lease at a monthly rent of \$2,200 expiring on March 31, 2018.

The Company's subsidiary ROB Centrex GmbH owns and has a 17 year 3.00% interest mortgage on their 100,000 sq. ft. building in Neulingen, Germany. Monthly mortgage payments are €25,000 through March 2031.

The Company's subsidiary Centrex Ltd. leases approximately 600 square feet of office on a month to month rental from a third party in Hong Kong at a monthly rental of \$4,133.00.

### NOTE 14 – RECENTLY ISSUED ACCOUNTING STANDARDS

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the consolidated financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

### NOTE 15 - SUBSEQUENT EVENTS

The Company issued a convertible note to Tangiers Investment Group Inc., an unrelated third party, in the amount of \$150,000 on February 6, 2015. The twelve (12) month maturity note carries an interest rate of 8% per annum, and can be converted into Company's common stock at a conversion price equaling 65% of the market price only after six months from the date of issuance at the holder's option.

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

*Except for historical information contained in this report, the matters discussed are forward-looking statements that involve risks and uncertainties. When used in this report, words such as "anticipates", "believes", "could", "estimates", "expects", "may", "plans", "potential" and "intends" and similar expressions, as they relate to the Company or its management, identify forward-looking statements. Such forward-looking statements are based on the beliefs of the Company's management, as well as assumptions made by and information currently available to the Company's management. Among the factors that could cause actual results to differ materially are the following: the effect of business and economic conditions; the impact of competitive products and their pricing; unexpected manufacturing or supplier problems; the Company's ability to maintain sufficient credit arrangements; changes in governmental standards by which our environmental control products are evaluated and the risk factors reported from time to time in the Company's SEC reports, including its recent report on Form 10-K. The Company undertakes no obligation to update forward-looking statements as a result of future events or developments.*

### General Overview

Cemtrex Inc. ("Cemtrex" or the "Company") is a diversified international company offering a range of products, systems, and solutions in a wide variety of industries around the world to meet today's technological challenges. Cemtrex, through its wholly owned subsidiaries provides electronic manufacturing services of custom engineered printed circuit board assemblies, emission monitors & instruments for industrial processes, and environmental control & air filtration systems for industries & utilities.

Cemtrex, through its Electronics Manufacturing Services (EMS) group, provides end to end electronic manufacturing services, which includes product design and sustaining engineering services, printed circuit board assembly and production, cabling and wire harnessing, systems integration, comprehensive testing services and completely assembled electronic products. Cemtrex, through its Environmental Products and Systems group, sells a complete line of air filtration and environmental control products to a wide variety of industrial and manufacturing industries worldwide. The Company through its Monitoring Instruments and Products (MIP) group manufactures sells, and services monitoring instruments, software and systems for measurement of emissions of Greenhouse gases, hazardous gases, particulate and other regulated pollutants used in emissions trading globally as well as for industrial processes. The Company also markets monitoring and analysis equipment for gas and liquid measurement for various downstream oil & gas applications as well as various industrial process applications.

Cemtrex, Inc. was incorporated as Diversified American Holding, Inc. on April 27, 1998. On December 16, 2004, the Company changed its name to Cemtrex, Inc.

On October 31, 2013, the Company completed the acquisition of the privately held ROB Group, a leader in electronics manufacturing solutions located in Neulingen, Germany. The ROB Group, founded in 1989, consisted of 4 distinct operating companies, forming a complete electronics design, manufacturing, assembly, and cabling solutions provider that serves the electronics and cabling needs of some of the largest companies in the world in the Medical, Automation, Industrial, and Renewable Energy industries. ROB Group also has a manufacturing facility in Sibiu, Romania. ROB Cemtrex GmbH now operates as a subsidiary of Cemtrex, Inc. (see NOTE 10).

### Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon the accompanying unaudited condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The preparation of financial statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and the related disclosures at the date of the financial statements and during the reporting period. Although these estimates are based on our knowledge of current events, our actual amounts and results could differ from those estimates. The estimates made are based on historical factors, current circumstances, and the experience and judgment of our management, who continually evaluate the judgments, estimates and assumptions and may employ outside experts to assist in the evaluations.

Certain of our accounting policies are deemed “critical”, as they are both most important to the financial statement presentation and require management’s most difficult, subjective or complex judgments as a result of the need to make estimates about the effect of matters that are inherently uncertain. For a discussion of our critical accounting policies, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended September 30, 2014.

#### **Results of Operations - For the three Months ending December 31, 2014 and 2013**

Total revenue for the three months ended December 31, 2014 and 2013 was \$13,842,789 and \$8,964,380, respectively, an increase of \$4,878,409, or 54%. Net income for the three months ended December 31, 2014 and 2013 was \$396,872 and \$416,552, respectively, a decrease of \$19,680, or 5%. Net income in the first quarter decreased, as compared to net income in the same period last year, due to lower sales of Electronics manufacturing services group resulting from the timing of shipments of in-house orders.

##### *Revenues*

Environmental products and systems revenues for three months ended December 31, 2014 increased by \$4,984,464 or 212%, to \$7,339,639 from \$2,355,175 for the three months ended December 31, 2013. The increase was primarily due to an increased demand for environmental products and services.

Electronics manufacturing services revenues for three months ended December 31, 2014 decreased by 106,055 or 2% to \$6,503,150 from \$6,609,205 for the three months ended December 31, 2013. The primary reason for decreased sales was due to the decline in exchange rate of Euro vs US Dollar. Additionally, the sales were lower due to the timing of shipments of in-house orders during this quarter as compared to the similar quarter a year ago.

##### *Gross Profit*

Gross Profit for the three months ended December 31, 2014 was \$4,023,057 or 29% of revenues as compared to gross profit of \$2,824,738 or 32% of revenues for the three months ended December 31, 2013. The increase in gross profit percentage in the three months ended December 31, 2014 was a direct result of high profit margin jobs shipped during this period as compared to the same quarter in the prior year.

##### *Operating Expenses*

Operating expenses for the three months ended December 31, 2014 increased \$1,273,761 or 54% to \$3,640,822 from \$2,367,061 for the three months ended December 31, 2013. Operating expenses as a percentage of revenue remained the same at 26% for the three month periods ended December 31, 2014 and December 31, 2013. The increase in operating expenses were primarily due to the acquisition of ROB Centrex GmbH.

##### *Other Income/(Expense)*

Interest and other income/(expense) for the first quarter of fiscal 2015 was \$(83,063) as compared to \$(35,849) for the first quarter of fiscal 2014. The increase was due primarily to interest expense recognition on loans used to acquire ROB Centrex GmbH and the mortgage on the building in Neulingen, Germany.

##### *Provision for Income Taxes*

During the first quarter of fiscal 2015 we recorded an income tax benefit of \$78,700 compared to an income tax provision accrual of \$5,276 for the first quarter of fiscal 2014. The provision for income tax is based upon the projected income tax from the Company’s various U.S. and international subsidiaries that are subject to income taxes.

### *Net Income/Loss*

The Company had net income of \$396,872 or 3% of revenues, for the three month period ended December 31, 2014 as compared to a net income of \$416,552 or 5% of revenues, for the three months ended December 31, 2013. Net income in the first quarter decreased, as compared to net income in the same period last year, due to lower sales of Electronics manufacturing services group resulting from the timing of shipments of in-house orders.

### **Effects of Inflation**

The Company's business and operations have not been materially affected by inflation during the periods for which financial information is presented.

### **Liquidity and Capital Resources**

Working capital was \$7,074,334 at December 31, 2014 compared to \$7,631,897 at September 30, 2014. This includes cash and cash equivalents of \$1,118,590 at December 31, 2014 and \$146,095 at September 30, 2014, respectively. The decrease in working capital was primarily due to decreases in short-term investments, trade receivables, accrued income taxes, and current portion of long-term liabilities offset by increases in cash and equivalents, inventory, prepaid expenses and other current assets, accounts payable, and accrued expenses.

Trade receivables decreased \$999,764 or 25% to \$3,038,576 at December 31, 2014 from \$4,038,340 at September 30, 2014. The decrease in trade receivables is attributable to the timing of shipments of in-house orders and collection of trade receivables.

Inventories increased \$108,054 or 2% to \$6,378,381 at December 31, 2014 from \$6,270,327 at September 30, 2014. The increase in inventories was due to timing of shipments of in-house orders.

Operating activities provided \$1,494,636 for the three months ended December 31, 2014 compared to using \$7,325,947 of cash for the three months ended December 31, 2013. The increase in operating cash flows was primarily due to the collection of trade receivables during the quarter.

Investment activities provided \$97,396 of cash compared to using \$4,229,233 during the three month period ended December 31, 2014. Investing activities were primarily driven by the redemption of short-term investments offset by the purchase of property and equipment.

Financing activities used \$619,537 for the three month period ended December 31, 2014 as compared to providing \$12,121,451 in the three month period ended December 31, 2013. Financing activities were primarily driven by payments on bank loans offset by proceeds from convertible notes payable.

We believe that our cash on hand, cash generated by operations, is sufficient to meet the capital demands of our current operations during the 2015 fiscal year (ending September 30, 2015). Any major increases in sales, particularly in new products, may require substantial capital investment. Failure to obtain sufficient capital could materially adversely impact our growth potential.

**Item 4. Controls and Procedures****Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures reporting as promulgated under the Exchange Act is defined as controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. Disclosure controls and procedures include without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer (“CEO”) and Vice President of Finance (“VPF”), or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our CEO and our VPF have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2014 and have concluded that the Company’s disclosure controls and procedures were effective as of December 31, 2014.

**Changes in Internal Control Over Financial Reporting**

There was no change in the Company’s internal control over financial reporting during the Company’s last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

**Part II Other Information**

**Item 6. Exhibits**

- 31.1 Certification of Chief Executive Officer as required by Rule 13a-14 or 15d-14 of the Exchange Act, as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Vice President of Finance and Principal Financial Officer as required by Rule 13a-14 or 15d-14 of the Exchange Act, as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of Vice President of Finance and Principal Financial Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.



**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 hereunto duly authorized.

Centrex, Inc.

Dated: February 11, 2015

By: /s/Saagar Govil  
Saagar Govil  
Chief Executive Officer

Dated: February 11, 2015

/s/Renato Dela Rama  
Renato Dela Rama  
Vice President of Finance  
and Principal Financial Officer

**CERTIFICATION PURSUANT TO RULE 13A/15D OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE  
SARBANES-OXLEY ACT OF 2002**

I, Saagar Govil, certify that:

1. I have reviewed this report on Form 10-Q of Centrex, Inc. and subsidiaries (the “registrant”);
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s Board of Directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize, and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/Saagar Govil

Saagar Govil

Chief Executive Officer

Dated: February 11, 2015

---

**CERTIFICATION PURSUANT TO RULE 13A/15D OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE  
SARBANES-OXLEY ACT OF 2002**

I, Renato Dela Rama, certify that:

1. I have reviewed this report on Form 10-Q of Centrex, Inc. and subsidiaries (the “registrant”);
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s Board of Directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize, and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/Renato Dela Rama  
\_\_\_\_\_  
Renato Dela Rama  
Vice President of Finance  
and Principal Financial Officer

Dated: February 11, 2015

---

**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 Centrex, Inc. (the "Company") on Form 10-Q for the quarter ended December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Saagar Govil, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (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 financial condition and result of operations of the Company.

/s/ Saagar Govil

Saagar Govil  
Chief Executive Officer

Dated: February 11, 2015

---

**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 Cemtrex, Inc. (the "Company") on Form 10-Q for the quarter ended December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Renato Dela Rama, Vice President of Finance and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (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 financial condition and result of operations of the Company.

/s/ Renato Dela Rama  
\_\_\_\_\_  
Renato Dela Rama  
Vice President of Finance  
and Principal Financial Officer

Dated: February 11, 2015

---