

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, 2015

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 001-37464



CEMTREX, 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
Non-accelerated filer

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 8, 2016 the issuer had 8,127,423 shares of common stock issued and outstanding.

CENTREX, INC. AND SUBSIDIARIES

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

	December 31, 2015	September 30, 2015
Assets		
Current assets		
Cash and equivalents	\$ 2,379,981	\$ 1,486,737
Restricted cash	624,443	-
Short-term investments	-	-
Accounts receivable, net	8,145,960	4,771,044
Inventory, net	6,792,217	6,369,516
Prepaid expenses and other current assets	1,446,568	893,792
Total current assets	<u>19,389,169</u>	<u>13,521,089</u>
Property and equipment, net	14,757,786	8,142,523
Goodwill	756,124	845,000
Notes receivable	121,000	-
Other assets	80,484	35,630
Total Assets	<u>\$ 35,104,563</u>	<u>\$ 22,544,242</u>
Liabilities & Stockholders' Equity (Deficit)		
Current liabilities		
Accounts payable	\$ 5,010,465	\$ 4,386,578
Revolving line of credit	3,717,248	2,129,711
Accrued expenses	864,141	309,130
Accrued income taxes	41,396	73,746
Convertible notes payable	1,865,000	1,274,000
Current portion of long-term liabilities	2,096,639	654,020
Total current liabilities	<u>13,594,889</u>	<u>8,827,185</u>
Long-term liabilities		
Notes payable	1,086,009	-
Notes payable - related party	113,173	119,055
Loans payable to bank	7,275,960	2,383,815
Mortgage payable	3,923,505	4,088,618
Total liabilities	<u>25,993,536</u>	<u>15,418,673</u>
Commitments and contingencies		
	-	-
Shareholders' equity		
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, 20,000,000 shares authorized, 7,649,451 shares issued and outstanding at December 31, 2015 and 7,158,087 shares issued and outstanding at September 30, 2015	7,649	7,158
Additional paid-in capital	2,776,225	1,020,444
Retained earnings	7,123,250	6,430,855
Accumulated other comprehensive loss	(797,097)	(333,888)
Total shareholders' equity	<u>9,111,027</u>	<u>7,125,569</u>
Total liabilities and shareholders' equity	<u>\$ 35,104,563</u>	<u>\$ 22,544,242</u>

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,	
	2015	2014
Revenues	\$ 13,314,693	\$ 13,842,789
Cost of revenues	<u>9,441,795</u>	<u>9,819,732</u>
Gross profit	<u>3,872,898</u>	<u>4,023,057</u>
Operating expenses		
General and administrative	3,405,912	3,621,822
Total operating expenses	<u>3,405,912</u>	<u>3,621,822</u>
Operating income (loss)	466,986	401,235
Other income (expense)		
Other Income (expense)	350,653	57,549
Interest Expense	<u>(175,418)</u>	<u>(140,612)</u>
Total other income (expense)	<u>175,235</u>	<u>(83,063)</u>
Net income (loss) before income taxes	642,221	318,172
Provision for income taxes	<u>(50,174)</u>	<u>(78,700)</u>
Net income (loss)	<u>692,395</u>	<u>396,872</u>
Other comprehensive income/(loss)		
Foreign currency translation gain/(loss)	<u>(463,209)</u>	<u>(85,943)</u>
Comprehensive income/(loss)	<u>\$ 229,186</u>	<u>\$ 310,929</u>
Income (Loss) Per Share-Basic	<u>\$ 0.09</u>	<u>\$ 0.06</u>
Income (Loss) Per Share-Diluted	<u>\$ 0.09</u>	<u>\$ 0.06</u>
Weighted Average Number of Shares-Basic	<u>7,410,703</u>	<u>6,771,833</u>
Weighted Average Number of Shares-Diluted	<u>7,481,717</u>	<u>6,784,007</u>

The accompanying notes are an integral part of these financial statements

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

	For the three months ended December 31,	
	2015	2014
Cash Flows from Operating Activities		
Net income	\$ 692,395	\$ 396,872
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	210,887	141,174
Share-based compensation	51,272	15,000
Shares issued for acquisition	1,000,000	-
Interest expense on convertible debt	31,000	-
Changes in operating assets and liabilities net of effects from acquisition of subsidiaries:		
Restricted cash	(16,016)	-
Accounts receivable	(162,919)	999,764
Inventory	43,176	(108,054)
Prepaid expenses and other assets	36,016	(357,367)
Others	(1,646)	14,169
Accounts payable	(124,424)	261,244
Revolving line of credit	102,975	(185,340)
Accrued expenses	(273,496)	133,352
Income taxes payable	(39,500)	(1,518)
Net cash provided by (used by) operating activities	1,549,720	1,309,296
Cash Flows from Investing Activities		
Purchase of property and equipment	(174,057)	(150,037)
Purchase of short-term investment	-	-
Redemption of short-term investments	-	247,433
Investment in subsidiary, net of cash received	(7,387,413)	-
Net cash provided by (used by) investing activities	(7,561,470)	97,396
Cash Flows from Financing Activities		
Proceeds from Notes Payable	1,500,000	-
Payments on affiliated loan	(5,882)	(191,790)
Proceeds from bank loans	5,000,000	-
Payments on bank loans	(816,624)	(600,407)
Proceeds from convertible notes	1,227,500	358,000
Net cash provided by (used by) financing activities	6,904,994	(434,197)
Net increase (decrease) in cash	893,244	972,495
Cash beginning of period	1,486,737	146,095
Cash end of period	\$ 2,379,981	\$ 1,118,590
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for interest	\$ 82,576	\$ 96,737
Cash paid during the period for income taxes	\$ -	\$ 1,518

The accompanying notes are an integral part of these financial statements

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

NOTE 1 – ORGANIZATION AND PLAN OF OPERATIONS

The Company was incorporated on April 27, 1998, in the state of Delaware under the name "Diversified American Holdings, Inc." The Company subsequently changed its name to "Centrex Inc." on December 16, 2004. Unless the context requires otherwise, all references to "we", "our", "us", "Company", "registrant", "Centrex" or "management" refer to Centrex, Inc. and its subsidiaries. Centrex is a leading diversified technology company that operates in a wide array of business segments and provides solutions to meet today's industrial and manufacturing challenges. The Company provides electronic manufacturing services of advanced electric system assemblies, provides instruments & emission monitors for industrial processes, and provides industrial air filtration & environmental control systems.

Centrex, 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.

Centrex, through its Industrial Products and Services (IPS) group, sells a complete line of air filtration and environmental control products to a wide variety of industrial and manufacturing industries worldwide. The group also 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. In addition the Company through its newly acquired business offers one-source expertise and capabilities in plant and equipment erection, relocation, and disassembly in a wide variety of industrial markets like automotive, printing & graphics, industrial automation, packaging, and chemicals among others.

On December 15, 2015 the Company acquired Advanced Industrial Solutions, Inc. ("AIS") and its affiliate subsidiary company based in York Pennsylvania. Advanced Industrial Services Inc. is a well-known broad based industrial services provider that offers one-source expertise and capabilities in plant and equipment erection, relocation, and disassembly. Over the years it has been one of the market leaders in installing high precision equipment in a wide variety of industrial markets like automotive, printing & graphics, industrial automation, packaging, and chemicals among others. In addition, AIS has experience in installing industrial air filtration equipment, similar to the equipment sold by Centrex through its existing business operations (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, 2015 ("2015 Annual Report") of Centrex Inc. ("Centrex" 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 2015 Annual Report. There have been no changes in the Company's significant accounting policies subsequent to September 30, 2015.

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, Centrex Ltd., ROB Centrex GmbH, and Advanced Industrial Solutions, Inc.. 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, 2015, 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, 2015 and December 31, 2014:

	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, 2015
Assets				
Investment in certificates of deposit (included in short-term investments)	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2014
Assets				
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>

NOTE 4 – ACCOUNTS RECEIVABLE, NET

Trade receivables, net consist of the following:

	December 31, 2015	September 30, 2015
Accounts receivable	\$ 8,210,271	\$ 4,836,046
Allowance for doubtful accounts	(64,311)	(65,002)
	<u>\$ 8,145,960</u>	<u>\$ 4,771,044</u>

Accounts receivable 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, consist of the following:

	December 31, 2015	September 30, 2015
Raw materials	\$ 3,810,810	\$ 3,345,432
Work in progress	1,279,353	1,306,906
Finished goods	1,755,847	1,866,145
	<u>6,846,010</u>	<u>6,518,483</u>
Less: Allowance for inventory obsolescence	(53,793)	(148,967)
Inventory –net of allowance for inventory obsolescence	<u>\$ 6,792,217</u>	<u>\$ 6,369,516</u>

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	December 31, 2015	September 30, 2015
Land	1,156,431	\$ 1,194,979
Building	5,200,649	3,938,544
Furniture and office equipment	595,174	576,741
Computer software	282,439	286,638
Machinery and equipment	9,261,774	3,663,526
	<u>16,496,467</u>	<u>9,660,428</u>
Less: Accumulated depreciation	(1,738,681)	(1,517,905)
Property and equipment, net	<u>14,757,786</u>	<u>\$ 8,142,523</u>

NOTE 7 – PREPAID AND OTHER CURRENT ASSETS

On December 31, 2015 the Company had prepaid and other current assets consisting of prepayments on inventory purchases of \$1,380,583, the current year income tax benefit of \$20,785 and other current assets of \$45,200. On June 30, 2014 the company had prepaid and other current assets consisting of prepayments on inventory purchases of \$805,929, an income tax benefit of \$78,700, and other current assets of \$4,000.

NOTE 8 – CONVERTIBLE NOTES PAYABLE

As of December 31, 2015 the Company has the following unsecured convertible notes, issued on the dates listed, to various unrelated third parties outstanding.

<u>Date</u>	<u>Amount</u>	<u>Maturity period</u>	<u>Interest rate</u>	<u>Conversion price</u>	<u>Conversion period</u>
June 25, 2015	\$ 300,000	12 Months	8%	65% of market	6 Months
August 21, 2015	300,000	12 Months	10%	75% of market	6 Months
October 19, 2015	515,000	12 Months	5%	75% of market	6 Months
November 3, 2015	500,000	12 Months	10%	75% of market	6 Months
December 18, 2015	250,000	12 Months	10%	75% of market	6 Months
Total	\$ 1,865,000				

The use of the proceeds from the notes issued is for growth capital and planned acquisitions. As per the terms of these convertible notes the Company has reserved 1,500,000 shares (post reverse split basis) representing approximately six times the actual shares that would be issued upon conversion of all the notes.

For the three months ended December 31, 2015, 483,791 shares of the Company's common stock have been issued to satisfy \$774,000 of convertible notes payable.

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 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.

On December 15, 2015, the company acquired a loan from Fulton Bank in the amount of \$5,250,000 in order to fund the purchase of Advanced Industrial Solutions, Inc. \$5,000,000 of the proceeds went to direct purchase of AIS. This loan carries interest of LIBOR plus 2.25% per annum and is payable on December 15, 2022.

On December 15, 2015, the company acquired a loan from Fulton Bank in the amount of \$800,000 in order to fund the operations of Advanced Industrial Solutions, Inc. \$620,000 of the proceeds was drawn upon closing. This loan carries interest of LIBOR plus 2.00% per annum and is payable on December 15, 2020.

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

On December 15, 2015 the Company issued notes payable to the sellers of Advanced Industrial Solutions, Inc. for \$1,500,000 to fund the purchase of AIS. These notes carry interest of 6% and are payable over 3 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 December 15, 2015 the Company acquired Advanced Industrial Solutions, Inc. ("AIS") and its affiliate subsidiary company based in York Pennsylvania. Advanced Industrial Services Inc. is a well-known broad based industrial services provider that offers one-source expertise and capabilities in plant and equipment erection, relocation, and disassembly. Over the years it has been one of the market leaders in installing high precision equipment in a wide variety of industrial markets like automotive, printing & graphics, industrial automation, packaging, and chemicals among others. In addition, AIS has experience in installing industrial air filtration equipment, similar to the equipment sold by Cemtrex through its existing business operations.

The acquisition date fair value of the total consideration transferred was \$7.5 million, which consisted of the following:

Cemtrex, Inc. common stock	1,000,000
Loan from bank	5,000,000
Note payable	1,500,000
Total Purchase Price	<u>\$ 7,500,000</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 December 15, 2015 (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:

Cash	\$ 112,587
Short-term investments	608,427
Accounts receivable, net	3,211,997
Prepaid expenses	551,292
Inventory, net	465,877
Deferred costs	43,208
Property, plant, and equipment, net	6,652,093
Goodwill	(88,876)
Other	121,000
Total Liabilities	<u>(4,177,605)</u>
Net assets acquired	<u>\$ 7,500,000</u>

NOTE 11 – RELATED PARTY TRANSACTIONS

The Company has Notes payable to Ducon Technologies Inc., totaling \$113,173 and \$119,055 at December 31, 2015 and September 30, 2015, respectively. These notes are unsecured and carry 5% interest per annum.

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, 2015 and September 30, 2014, 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 periods ending December 31, 2015 and 2014, the Company did not issue any Series A Preferred Stock.

Reverse Stock Split

On April 3, 2015, our Board of Directors approved a reverse split of our common stock, par value \$0.001, at a ratio of one-for-six. This reverse stock split became effective on April 15, 2015 and, unless otherwise indicated, all share amounts, share prices, exercise prices and conversion rates set forth in this Report and the accompanying consolidated financial statements have, where applicable, been adjusted retroactively to reflect this reverse stock split.

Listing on NASDAQ Capital Markets

On June 25, 2015 the Company's common stock commenced trading on the NASDAQ Capital Markets under the symbol "CETX".

Common Stock

The Company is authorized to issue 20,000,000 shares of common stock, \$0.001 par value. As of December 31, 2015 there were 7,649,451 shares issued and outstanding and at September 30, 2015, there were 7,158,087 shares issued and outstanding.

During the three month period ended December 31, 2015 the Company issued 491,374 shares of common stock. During the three month period ended December 31, 2014, the Company did not issue any common stock.

During the fiscal year ended September 30, 2014 the company granted stock options for 100,000 shares to employees of the Company. These options have a call price of \$1.80 per share, vest over four years, and expire after six years. As of December 31, 2015, 16,264 shares have been exercised and none have expired or have been cancelled.

For the three months ended December 31, 2015, 483,791 shares of the Company's common stock have been issued to satisfy \$774,000 of convertible notes payable (see NOTE 8).

NOTE 13 – COMMITMENTS AND CONTIGENCIES

The Company's Industrial Products and Services Group leases (i) 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, (ii) approximately 2000 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, (iii) approximately 1500 square feet of office on a month to month rental from a third party in Navi Mumbai, India at a monthly rental of \$600.00, (iv) approximately 25,000 sq. ft. of warehouse space in Manchester, PA from a third party in a seven year lease at a monthly rent of \$7,300 expiring on December 13, 2020, (v) approximately 43,000 sq. ft. of office and warehouse space in York, PA from a third party in a ten year lease at a monthly rent of \$22,625 expiring on March 23, 2026, and (vi) approximately 15,500 sq. ft. of warehouse space in Emigsville, PA from a third party in a one year lease at a monthly rent of \$4,337 expiring on August 31, 2016.

The Company through its Electronics Manufacturing Services Group owns a 70,000 sq. ft. manufacturing building in Neulingen, Germany which has a 17 year 3.00% interest mortgage with monthly mortgage payments of €25,000, through March 2031. The Electronics Manufacturing Services Group also rents a 10,000 sq. ft. manufacturing facility in Sibiu, Romania from a third party in a ten year lease at a monthly rent of €8,000 expiring on May 31, 2019.

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 has evaluated subsequent events through the filing date of its 10-Q for the quarter ended December 31, 2015. The Company is not aware of any subsequent events that require recognition or disclosure in the consolidated financial statements.

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

The Company was incorporated on April 27, 1998, in the state of Delaware under the name "Diversified American Holdings, Inc." The Company subsequently changed its name to "Cemtrex Inc." on December 16, 2004. Unless the context requires otherwise, all references to "we", "our", "us", "Company", "registrant", "Cemtrex" or "management" refer to Cemtrex, Inc. and its subsidiaries. Cemtrex is a leading diversified technology company that operates in a wide array of business segments and provides solutions to meet today's industrial and manufacturing challenges. The Company provides electronic manufacturing services of advanced electric system assemblies, provides instruments & emission monitors for industrial processes, and provides industrial air filtration & environmental control systems.

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 Industrial Products and Services (IPS) group, sells a complete line of air filtration and environmental control products to a wide variety of industrial and manufacturing industries worldwide. The group also 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. In addition the Company through its newly acquired business offers one-source expertise and capabilities in plant and equipment erection, relocation, and disassembly in a wide variety of industrial markets like automotive, printing & graphics, industrial automation, packaging, and chemicals among others.

On December 15, 2015 the Company acquired Advanced Industrial Solutions, Inc. ("AIS") and its affiliate subsidiary company based in York Pennsylvania. Advanced Industrial Services Inc. is a well-known broad based industrial services provider that offers one-source expertise and capabilities in plant and equipment erection, relocation, and disassembly. Over the years it has been one of the market leaders in installing high precision equipment in a wide variety of industrial markets like automotive, printing & graphics, industrial automation, packaging, and chemicals among others. In addition, AIS has experience in installing industrial air filtration equipment, similar to the equipment sold by Cemtrex through its existing business operations (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, 2015.

Results of Operations - For the three months ending December 31, 2015 and 2014

Total revenue for the three months ended December 31, 2015 and 2014 was \$13,314,693 and \$13,842,789, respectively, a decrease of \$528,096, or 4%. Net income for the three months ended December 31, 2015 and 2014 was \$692,395 and \$396,872, respectively, an increase of \$295,523, or 74%. Net income in the first quarter increased, as compared to net income in the same period last year, due to lower operating expense and an increase in other income.

Revenues

Industrial products and services revenues for three months ended December 31, 2015 increased by \$525,802 or 7%, to \$7,865,441 from \$7,339,669 for the three months ended December 31, 2014. The increase was primarily due to the acquisition of AIS on December 15, 2015.

Electronics manufacturing services revenues for three months ended December 31, 2015 decreased by \$1,053,898 or 16% to \$5,449,252 from \$6,503,150 for the three months ended December 31, 2014. The primary reason for decreased sales was due to the decline in exchange rate of the 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 same quarter a year ago.

Gross Profit

Gross Profit for the three months ended December 31, 2015 was \$3,872,898 or 29% of revenues as compared to gross profit of \$4,023,057 or 29% of revenues for the three months ended December 31, 2014. The gross profit percentage has remained constant in the three months ended December 31, 2015 compared to the same quarter in the prior year.

Operating Expenses

Operating expenses for the three months ended December 31, 2015 decreased \$215,910 or 6% to \$3,405,912 from \$3,621,822 for the three months ended December 31, 2014. Operating expenses as a percentage of revenue remained constant at 27% for the three month period ended December 31, 2015 and December 31, 2014. The decreases in operating expenses were primarily due to reductions in salaries and fringe benefits, and insurance expenses.

Other Income/(Expense)

Interest and other income/(expense) for the first quarter of fiscal 2016 was \$175,235 as compared to \$(83,063) for the first quarter of fiscal 2015. The income was due primarily to forgiveness of some debt in the Electronics manufacturing services group.

Provision for Income Taxes

During the first quarter of fiscal 2016 we recorded an income tax benefit of \$20,785 and the reversal of the provision for the Fiscal year 2014 of \$29,389 now filed, compared to an income tax benefit of \$78,700 for the first quarter of fiscal 2015. 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 in their respective jurisdictions.

Net Income/Loss

The Company had net income of \$692,395 or 5% of revenues, for the three month period ended December 31, 2015 as compared to a net income of \$396,872 or 3% of revenues, for the three months ended December 31, 2014. Net income in the first quarter increased, as compared to net income in the same period last year, due largely to lower operating expenses and the forgiveness of debt in the Electronic manufacturing services group.

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 \$5,794,280 at December 31, 2015 compared to \$4,693,904 at September 30, 2015. This includes cash and cash equivalents of \$2,379,981 at December 31, 2015 and \$1,486,737 at September 30, 2015, respectively. The increase in working capital was primarily due to increases in cash and equivalents, restricted cash, accounts receivable, inventory, prepaid expenses and other current assets, purchases of property and equipment, payments on affiliated loans, and payments on bank loans, offset by increases in accounts payable, revolving line of credit, and accrued expenses, and issuance of convertible notes.

Accounts receivable increased \$3,374,916 or 71% to \$7,895,241 at December 31, 2015 from \$4,771,044 at September 30, 2015. The increase in accounts receivable is attributable to the acquisition of Advanced Industrial Services, Inc..

Inventories increased \$422,701 or 7% to \$6,792,217 at December 31, 2015 from \$6,369,516 at September 30, 2015. The increase in inventories is attributable to the acquisition of Advanced Industrial Services, Inc..

Operating activities provided \$1,549,720 of cash for the three months ended December 31, 2015 compared to providing cash of \$1,309,296 of cash for the three months ended December 31, 2014. The increase in operating cash flows was primarily due to the issuance of stock for the acquisition of AIS during the three months ended December 31, 2015.

Investment activities used \$7,561,470 of cash for the three months ended December 31, 2015 compared to providing cash of \$97,396 during the three month period ended December 31, 2014. Investing activities were primarily driven by the acquisition of AIS.

Financing activities provided \$6,904,994 of cash for the three month period ended December 31, 2015 as compared to using cash of \$619,537 in the three month period ended December 31, 2014. Financing activities were primarily driven by proceeds of bank loans for the acquisition of AIS.

Our strategic plan includes the expansion of the Company both organically and through acquisitions. Due to the long-term nature of investments in acquisitions and other financial needs to support organic growth, including working capital, we expect our long-term and working capital needs to periodically exceed the short-term fluctuations in cash flow from operations. Accordingly, we use debt and equity vehicles in addition to cash flow from operations to fund our growth and working capital needs.

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, 2015 and have concluded that the Company’s disclosure controls and procedures were effective as of December 31, 2015.

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.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

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 16, 2016

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

Dated: February 16, 2016

/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 16, 2016

**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 16, 2016

**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, 2015, 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 16, 2016

**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, 2015, 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 16, 2016
