
**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 June 30, 2019

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
CEMTREX, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

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

276 Greenpoint Ave, Suite 208, Brooklyn, NY
(Address of principal executive offices)

11222
(Zip Code)

631-756-9116
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 August 16, 2019, the issuer had 3,367,109 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
Condensed Consolidated Balance Sheets
(Unaudited)

<u>Assets</u>	<u>June 30, 2019</u>	<u>September 30, 2018</u>
Current assets		
Cash and equivalents	\$ 1,572,825	\$ 973,772
Short-term investments	13,692	-
Restricted Cash	873,293	1,342,163
Accounts receivable, net	16,127,399	13,945,655
Trade receivables - related party	266,124	165,220
Inventory, net	15,731,128	11,354,458
Prepaid expenses and other current assets	4,480,826	4,132,996
Total current assets	<u>39,065,287</u>	<u>31,914,264</u>
Property and equipment, net	24,408,648	27,300,654
Goodwill	5,303,743	3,322,818
Investment in Vicon	-	1,699,271
Other assets	4,584,547	3,093,607
Total Assets	<u>\$ 73,362,225</u>	<u>\$ 67,330,614</u>
Liabilities & Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 9,887,828	\$ 7,068,005
Accounts payable to related party	155,600	-
Short-term liabilities	14,008,278	10,913,703
Deposits from customers	60,009	50,619
Accrued expenses	4,313,371	2,333,938
Deferred revenue	1,424,832	970,590
Accrued income taxes	593,097	565,513
Total current liabilities	<u>30,443,015</u>	<u>21,902,368</u>
Long-term liabilities		
Loans payable to bank, net of current portion	3,165,954	4,206,468
Long-term capital lease, net of current portion	25,269	44,081
Notes payable, net of current portion	2,591,616	276,639
Mortgage payable, net of current portion	3,266,859	3,568,545
Other long-term liabilities	1,211,907	-
Deferred tax liabilities	1,194,272	2,051,847
Deferred Revenue - long-term	489,062	-
Total long-term liabilities	<u>11,944,939</u>	<u>10,147,580</u>
Total liabilities	<u>42,387,954</u>	<u>32,049,948</u>
Commitments and contingencies	-	-
Shareholders' equity		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized, Series 1, 3,000,000 shares authorized, 2,110,718 shares issued and outstanding as of June 30, 2019 and 1,914,168 shares issued and outstanding as of September 30, 2018 (liquidation value of \$10 per share)	2,111	1,914
Series A, 1,000,000 shares authorized, issued and outstanding at June 30, 2019 and September 30, 2018	1,000	1,000
Common stock, \$0.001 par value, 20,000,000 shares authorized, 2,594,239 shares issued and outstanding at June 30, 2019 and 1,621,719 shares issued and outstanding at September 30, 2018	2,594	1,622
Additional paid-in capital	36,897,611	31,496,671
Retained earnings	(3,788,526)	4,262,756
Accumulated other comprehensive income/(loss)	(1,681,985)	(483,297)
Total shareholders' equity	<u>31,432,805</u>	<u>35,280,666</u>
Non-controlling interest of Vicon	(458,534)	-
Total liabilities, mezzanine equity and shareholders' equity	<u>\$ 73,362,225</u>	<u>\$ 67,330,614</u>

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

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

	For the three months ended		For the nine months ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Revenues				
Advanced Technologies Revenue	\$ 6,528,484	\$ 300,338	\$ 13,924,097	\$ 931,009
Electronics Manufacturing Revenue	11,003,706	11,216,531	33,130,143	41,874,472
Industrial Technology Revenue	4,919,860	7,647,445	16,289,851	29,154,029
Total revenues	<u>22,452,050</u>	<u>19,164,314</u>	<u>63,344,091</u>	<u>71,959,510</u>
Cost of revenues				
Cost of Sales, Advanced Technologies	4,000,146	236,799	8,092,284	385,911
Cost of Sales, Electronics Manufacturing	6,533,490	6,522,074	19,550,338	25,935,969
Cost of Sales, Industrial Technology	3,346,838	5,142,026	10,685,379	20,342,393
Total cost of revenues	<u>13,880,474</u>	<u>11,900,899</u>	<u>38,328,001</u>	<u>46,664,273</u>
Gross profit	<u>8,571,576</u>	<u>7,263,415</u>	<u>25,016,090</u>	<u>25,295,237</u>
Operating expenses				
General and administrative	8,749,545	6,248,113	28,941,719	23,041,623
Research and development	285,853	2,246,085	1,136,981	2,453,183
Total operating expenses	<u>9,035,398</u>	<u>8,494,198</u>	<u>30,078,700</u>	<u>25,494,806</u>
Operating income/(loss)	<u>(463,822)</u>	<u>(1,230,783)</u>	<u>(5,062,610)</u>	<u>(199,569)</u>
Other income (expense)				
Other Income (expense)	225,964	(197,880)	342,891	600,833
Interest Expense	(2,387,408)	(375,543)	(3,185,942)	(948,371)
Total other income (expense)	<u>(2,161,444)</u>	<u>(573,423)</u>	<u>(2,843,051)</u>	<u>(347,538)</u>
Net income (loss) before income taxes and equity interest	<u>(2,625,266)</u>	<u>(1,804,206)</u>	<u>(7,905,661)</u>	<u>(547,107)</u>
Income tax (expense)/benefit	736,310	(182)	1,843,157	(101,819)
Earnings/(loss) in equity interests	-	(778,823)	(342,776)	(778,823)
Net income (loss) before non-controlling interest	<u>(1,888,956)</u>	<u>(2,583,211)</u>	<u>(6,405,280)</u>	<u>(1,427,749)</u>
Less net income/(loss) noncontrolling interest of Vicon	36,662	-	(319,493)	-
Net income (loss)	<u>(1,925,618)</u>	<u>(2,583,211)</u>	<u>(6,085,787)</u>	<u>(1,427,749)</u>
Preferred dividends paid	1,007,720	915,080	1,965,500	915,080
Net income/(loss) available to common shareholders	<u>(2,933,338)</u>	<u>(3,498,291)</u>	<u>(8,051,287)</u>	<u>(2,342,829)</u>
Other comprehensive income/(loss)				
Foreign currency translation gain/(loss)	(169,928)	(622,068)	(1,198,688)	(848,792)
Comprehensive income/(loss) available to common shareholders	<u>\$ (3,103,266)</u>	<u>\$ (4,120,359)</u>	<u>\$ (9,249,975)</u>	<u>\$ (3,191,621)</u>
Income/(loss) Per Common Share-Basic	<u>\$ (1.59)</u>	<u>\$ (2.41)</u>	<u>\$ (3.86)</u>	<u>\$ (1.78)</u>
Income/(loss) Per Common Share-Diluted	<u>\$ (1.59)</u>	<u>\$ (2.41)</u>	<u>\$ (3.86)</u>	<u>\$ (1.78)</u>
Weighted Average Number of Common Shares-Basic	<u>1,844,895</u>	<u>1,449,517</u>	<u>2,087,195</u>	<u>1,317,793</u>
Weighted Average Number of Common Shares-Diluted	<u>1,844,895</u>	<u>1,449,517</u>	<u>2,087,195</u>	<u>1,317,793</u>

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

Centrex, Inc. and Subsidiaries
Consolidated Statement of Stockholders' Equity
(Unaudited)

	Preferred Stock Series 1 Par Value \$0.001		Preferred Stock Series A Par Value \$0.001		Common Stock Par Value \$0.01		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated other Comprehensive Income(loss)	Non- controlling interest of Vicon	Total Stockholders' Equity
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount					
Balance at September 30, 2018	<u>1,914,168</u>	<u>\$ 1,914</u>	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>1,621,719</u>	<u>\$ 1,622</u>	<u>\$ 31,496,671</u>	<u>\$ 4,262,756</u>	<u>\$ (483,297)</u>	<u>\$ -</u>	<u>\$ 35,280,666</u>
Foreign currency translations	-	-	-	-	-	-	-	-	(857,552)	-	(857,552)
Share-based compensation	-	-	-	-	-	-	36,108	-	-	-	36,108
Stock issued in Subscription Rights Offering	-	-	-	-	25,126	25	138,669	-	-	-	138,694
Stock issued to pay notes payable	-	-	-	-	26,342	26	224,974	-	-	-	225,000
Dividends paid in Series 1 preferred shares	95,778	96	-	-	-	-	957,684	(957,780)	-	-	-
Net loss	-	-	-	-	-	-	-	(2,176,298)	-	-	(2,176,298)
Balance at December 31, 2018	<u>2,009,946</u>	<u>\$ 2,010</u>	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>1,673,187</u>	<u>\$ 1,673</u>	<u>\$ 32,854,106</u>	<u>\$ 1,128,678</u>	<u>\$ (1,340,849)</u>	<u>\$ -</u>	<u>\$ 32,646,618</u>
Foreign currency translations	-	-	-	-	-	-	-	-	(171,208)	-	(171,208)
Share-based compensation	-	-	-	-	-	-	36,108	-	-	-	36,108
Stock issued to pay notes payable	-	-	-	-	117,774	118	713,772	-	-	-	713,890
Shares issued in trust for ATM Offering	-	-	-	-	27,953	27	(27)	-	-	-	-
Shares sold in ATM Offering	-	-	-	-	34,547	35	203,644	-	-	-	203,679
Shares sold in Securities Purchase Agreement	-	-	-	-	2,500	3	129,508	-	-	-	129,511
Net loss	-	-	-	-	-	-	-	(1,983,867)	-	-	(1,983,867)
Non-controlling interest of Vicon	-	-	-	-	-	-	-	-	-	(781,871)	(781,871)
Balance at March 31, 2019	<u>2,009,946</u>	<u>\$ 2,010</u>	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>1,855,961</u>	<u>\$ 1,856</u>	<u>\$ 33,937,111</u>	<u>\$ (855,189)</u>	<u>\$ (1,512,057)</u>	<u>\$ (781,871)</u>	<u>\$ 30,792,860</u>
Foreign currency translations	-	-	-	-	-	-	-	-	(169,928)	-	(169,928)
Stock issued to pay notes payable	-	-	-	-	559,378	559	1,715,015	-	-	-	1,715,574
Share-based compensation	-	-	-	-	-	-	36,108	-	-	-	36,108
Series B Conversion	-	-	-	-	175,562	176	331,949	-	-	-	332,125
Reverse split rounding shares	-	-	-	-	3,338	3	-	-	-	-	3
Discount on Series B (deemed dividend)	-	-	-	-	-	-	(130,190)	-	-	-	(130,190)
Dividends paid in Series 1 preferred shares	100,772	101	-	-	-	-	1,007,618	(1,007,719)	-	-	-
QTR Results	-	-	-	-	-	-	-	(1,925,618)	-	-	(1,925,618)
Non-controlling interest of Vicon	-	-	-	-	-	-	-	-	-	323,337	323,337
Balance at June 30, 2019	<u>2,110,718</u>	<u>\$ 2,111</u>	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>2,594,239</u>	<u>\$ 2,594</u>	<u>\$ 36,897,611</u>	<u>\$ (3,788,526)</u>	<u>\$ (1,681,985)</u>	<u>\$ (458,534)</u>	<u>\$ 30,974,271</u>

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

Centrex, Inc. and Subsidiaries
Consolidated Statement of Stockholders' Equity (Continued)
(Unaudited)

	Preferred Stock Series 1 Par Value \$0.001		Preferred Stock Series A Par Value \$0.001		Common Stock Par Value \$0.01		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated other Comprehensive Income(loss)	Non- controlling interest of Vicon	Total Stockholders' Equity
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount					
Balance at September 30, 2017	<u>1,822,660</u>	<u>\$ 1,823</u>	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>1,300,555</u>	<u>\$ 1,301</u>	<u>\$ 24,703,428</u>	<u>\$ 14,418,245</u>	<u>\$ (133,492)</u>	<u>\$ -</u>	<u>\$ 38,992,305</u>
Foreign currency translations	-	-	-	-	-	-	-	-	631,045	-	631,045
Stock issued for convertible debt	-	-	-	-	12,353	12	219,988	-	-	-	220,000
Stock issued for interest on convertible debt	-	-	-	-	6,283	6	109,138	-	-	-	109,144
Net Income	-	-	-	-	-	-	-	731,991	-	-	731,991
Balance at December 31, 2017	<u>1,822,660</u>	<u>\$ 1,823</u>	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>1,319,191</u>	<u>\$ 1,319</u>	<u>\$ 25,032,554</u>	<u>\$ 15,150,236</u>	<u>\$ 497,553</u>	<u>\$ -</u>	<u>\$ 40,684,485</u>
Foreign currency translations	-	-	-	-	-	-	-	-	(857,769)	-	(857,769)
Stock issued for investment in Vicon	-	-	-	-	126,579	127	2,913,803	-	-	-	2,913,930
Net Income	-	-	-	-	-	-	-	423,471	-	-	423,471
Balance at March 31, 2018	<u>1,822,660</u>	<u>\$ 1,823</u>	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>1,445,770</u>	<u>\$ 1,446</u>	<u>\$ 27,946,357</u>	<u>\$ 15,573,707</u>	<u>\$ (360,216)</u>	<u>\$ -</u>	<u>\$ 43,164,117</u>
Foreign currency translations	-	-	-	-	-	-	-	-	(622,068)	-	(622,068)
Stock issued to pay notes payable	-	-	-	-	13,745	14	224,966	-	-	-	224,980
Dividends paid in Series 1 preferred shares	91,508	91	-	-	-	-	914,989	(915,080)	-	-	-
Net Income	-	-	-	-	-	-	-	(2,583,211)	-	-	(2,583,211)
Balance at June 30, 2018	<u>1,914,168</u>	<u>\$ 1,914</u>	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>1,459,515</u>	<u>\$ 1,460</u>	<u>\$ 29,086,312</u>	<u>\$ 12,075,416</u>	<u>\$ (982,284)</u>	<u>\$ -</u>	<u>\$ 40,183,818</u>

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

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

	For the nine months ended June 30,	
	2019	2018
Cash Flows from Operating Activities		
Consolidated net income/(loss)	\$ (6,405,280)	\$ (1,427,749)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:		
Depreciation and amortization	4,271,421	2,583,645
Loss on sale/disposal of property and equipment	465,029	-
Change in allowance for inventory obsolescence	-	599,847
Change in allowance for doubtful accounts	-	1,197
Share-based compensation	108,324	-
Interest expense paid in equity shares	1,253,516	-
Interest expense on convertible debt	-	109,144
Loss on equity interests	-	778,823
Changes in operating assets and liabilities net of effects from acquisition of subsidiaries:		
Accounts receivable	1,949,261	3,749,753
Accounts receivable - related party	(100,904)	-
Inventory	707,631	5,189,736
Prepaid expenses and other current assets	46,030	(2,125,768)
Other assets	(1,135,190)	211,520
Other Liabilities	354,332	173,187
Accounts payable	(853,030)	(242,695)
Account Payables - RP	155,600	-
Deposits from customers	9,390	(1,063,437)
Accrued expenses	1,956,989	(852,071)
Deferred Revenue	109,493	-
Net cash provided by operating activities	2,892,612	7,685,132
Cash Flows from Investing Activities		
Purchase of property and equipment	(1,659,480)	(12,845,859)
Refund on fixed assets	14,000	-
Net cash used by investing activities	(1,645,480)	(12,845,859)
Cash Flows from Financing Activities		
Proceeds from notes payable	1,100,000	4,025,000
Payments on notes payable	(264,560)	(302,419)
Proceeds from related party notes	-	-
Payments on related party notes	-	(1,244,464)
Payments on bank loans	(1,531,629)	-
Proceeds from at-the-market offerings	490,237	-
Expenses on at-the-market offerings	(18,323)	-
Proceeds from the issuance of Series B Preferred Stock	500,000	(3,096,042)
Expenses from the issuance of Series B Preferred Stock	(25,000)	-
Settlement of Series B Preferred Stock in Cash	(273,092)	-
Revolving line of credit	122,918	-
Payments on capital lease obligations	(18,812)	-
Net cash provided/(used) by financing activities	81,739	(617,925)
Effect of currency translation	(1,198,688)	-
Net increase (decrease) in cash	1,328,871	(5,778,652)
Cash beginning of period	2,315,935	11,974,752
Cash end of period	\$ 2,446,118	\$ 6,196,100
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for interest	\$ 715,722	\$ 259,317
Cash paid during the period for income taxes	\$ 162,871	\$ 852,071
Supplemental Schedule of Non-Cash Investing and Financing Activities		
Investment in Vicon Technologies	\$ 300,000	\$ 2,913,930
Payment of convertible notes in common stock	\$ -	\$ 220,000
Payment of interest on convertible notes in common stock	\$ 1,253,516	\$ 109,144
Payment of short-term notes payable in common stock	\$ 1,790,649	\$ 225,000
Dividends paid in equity shares	\$ 1,965,500	\$ 915,080

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

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

NOTE 1 – ORGANIZATION AND PLAN OF OPERATIONS

Centrex was incorporated in 1998, in the state of Delaware and has evolved through strategic acquisitions and internal growth from a small environmental monitoring instruments company into a world leading multi-industry technology company. The Company drives innovation in a wide range of sectors, including smart technology, virtual and augmented realities, advanced electronic systems, industrial solutions, and intelligent security systems. Unless the context requires otherwise, all references to “we”, “our”, “us”, “Company”, “registrant”, “Centrex” or “management” refer to Centrex, Inc. and its subsidiaries.

Advanced Technologies (AT)

Centrex’s Advanced Technologies segment delivers cutting-edge technologies in the IoT, Wearables and Smart Devices, such as the SmartDesk. Through the Company’s advanced engineering and product design, they deliver progressive design and development solutions to create impactful experiences for mobile, web, virtual and augmented reality, wearables and television as well as providing cutting edge, mission critical security and video surveillance. Through its Centrex VR division, the Company is developing a wide variety of applications for virtual and augmented reality markets.

Centrex has developed a cutting edge IoT product, the SmartDesk, over the last eighteen months to revolutionize the desktop PC market. The SmartDesk is custom engineered and manufactured by Centrex with over eighteen patents pending around the product. SmartDesk combines and reimagines the needs of the modern office workstation in a sleek, clutter-free design. The product includes 72 inches of touch display monitors, proprietary patent-pending touch and gesture control, digital phone and webcam, integrated document scanner, wireless smartphone charging, and a built-in keyboard / trackpad with an electric-powered, adjustable-height desk.

The Company is marketing this product to both consumers and enterprises alike. The Company currently markets this product directly to consumers but is also bringing on value added resellers (VARs) to reach enterprise customers. Centrex has received pre-orders from large Fortune 500 organizations like Black & Decker and United airlines. The Company will start fulfilling most SmartDesk orders in its fiscal second quarter. The Company also offers white glove installation, extended warranties, and accessories to go along with the SmartDesk.

Electronics Manufacturing (EM)

Centrex’s Electronics Manufacturing (EM) segment 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 works with industry leading OEMs in their outsourcing of advanced manufacturing services by forming a long-term relationship as an electronics manufacturing partner. We work in close relationships with our customers throughout the entire electronic lifecycle of a product, from design, manufacturing, and distribution. The Company seeks to grow the business through the addition of new, high quality customers, the expansion of its share of business with existing customers and participating in the growth of existing customers.

Using its manufacturing capabilities, the Company provides customers with advanced product assembly and system level integration combined with test services to meet the highest standards of quality. Through its agile manufacturing environment, we can deliver low and medium volume and mix services to our clients. Additionally, we design, develop, and manufacture various interconnects and cable assemblies that often are sold in conjunction with its PCBAs to enhance value for their customers. The Company also provides engineering services from new product introductions and prototyping, related testing equipment, to product redesigns.

Industrial Technology (IT)

Cemtrex's Industrial Technology (IT) segment, offers single-source expertise and services for rigging, millwrighting, in plant maintenance, equipment erection, relocation, and disassembly to diversified customers.

The Company believes its ability to attract and retain new customers comes from their ongoing commitment to understanding its customers' business performance requirements and our expertise in meeting or exceeding these requirements and enhancing their competitive edge. We work closely with our customers from an operational and senior executive level to achieve a deep understanding of our customer's goals, challenges, strategies, operations, and products to ultimately build a long-lasting successful relationship.

Recent Developments

The Company continues to experience weakness in new orders in its environmental instruments and control products markets both domestically and internationally. Revenues in that segment continue to be down as fewer number of projects are being decided and awarded due to relaxation of numerous environmental regulations under the current administration. Company has shifted its focus into smart devices and virtual reality applications, and its Electronics Manufacturing business, and hence the Company will continue to reduce its presence in the environmental instruments and control products markets in the coming year.

Reverse Stock Split

On May 28, 2019, the Company filed the Charter Amendment with the Delaware Secretary of State to effect a 1-for-8 reverse split of the outstanding shares of the Company's common stock (the "Reverse Stock Split"). As a result, every eight outstanding shares of the Company's common stock combined automatically into one share of common stock. Each stockholder's percentage ownership in the Company and proportional voting power remains unchanged after the Reverse Stock Split, except for minor changes and adjustments resulting from the treatment of fractional shares.

On June 13, 2019, the Reverse Stock Split became effective and that trading in its common stock on the NASDAQ Capital Markets Exchange on a split-adjusted basis began on the morning of June 13, 2019. All share amounts and per share amounts have been adjusted to reflect the reverse stock split in the prior periods presented.

Vicon Industries, Inc.

On March 23, 2018, in a private resale transaction, Cemtrex purchased 7,284,824 shares of common stock and a warrant to purchase an additional 1,500,000 shares of common stock of Vicon Industries, Inc. (OTCMKTS: VCON), ("Vicon"), from former Vicon shareholder NIL Funding Corporation, pursuant to the terms of a Securities Purchase Agreement. Cemtrex's purchase of the Vicon Industries common stock and warrant resulted in its beneficial ownership of approximately 46% of the outstanding shares of common stock of Vicon. Cemtrex purchased the shares of common stock and warrant of Vicon Industries in exchange for 1,012,625 shares of Cemtrex common stock. Following the closing of the transaction, Saagar Govil, Cemtrex's Chairman and Chief Executive Officer, and Aron Govil, Cemtrex's Executive Director, joined the Vicon Industries Board of Directors and Saagar Govil assumed the position of Chief Executive Officer of Vicon Industries. Following the resignation of all other Board members by January 2019, the Company had elected to account for Vicon using the consolidation method. On May 13, 2019, the Company acquired 15,000,000 shares of Vicon common stock in exchange for \$300,000 in consideration. The Company now owns approximately 70% of Vicon's outstanding shares of common stock. The company accounts for Vicon using the consolidation method of accounting.

NOTE 2 – INTERIM STATEMENT PRESENTATION

Basis of Presentation and Use of Estimates

The accompanying unaudited condensed consolidated 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, 2018 (“2018 Annual Report”) of Centrex Inc. (“Centrex” or the “Company”).

The accompanying unaudited condensed 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 condensed consolidated financial statements, the disclosure of contingent assets and liabilities in the condensed 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 condensed consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries (Griffin Filters LLC, MIP Centrex Inc., Centrex Advanced Technologies Inc., Centrex Ltd., Centrex Technologies Pvt. Ltd., ROB Centrex GmbH, ROB Systems Srl, ROB Centrex Assets UG, ROB Centrex Logistics GmbH, and Advanced Industrial Services, Inc. and Vicon Industries, Inc. and its subsidiaries, Telesite USA, IQInVision, Vicon Industries Ltd., Vicon Deutschland GmbH, and Vicon Systems, Ltd. All inter-company balances and transactions have been eliminated in consolidation.

Significant Accounting Policies and Recent Accounting Pronouncements

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, 2018, includes a summary of the significant accounting policies used in the preparation of the consolidated financial statements.

Recently Adopted Accounting Pronouncements

Adoption of ASC 606

Effective October 1, 2018, the Company adopted ASC 606 using the modified retrospective approach for all of its contracts. Following the adoption of ASC 606, the Company continues to recognize revenue at a point-in-time when control of goods transfers to the customer. This is consistent with the Company's previous revenue recognition accounting policy under which the Company recognized revenue when title and risk of loss pass to the customer and collectability was reasonably assured. ASC 606 did not impact the Company's presentation of revenue on a gross or net basis. The Company recognizes contract revenue from the sales of services for rigging, millwrighting, in plant maintenance, equipment erection, relocation, and disassembly. In addition, there was no impact of adoption on the statement of operations or balance sheet as of June 30, 2018 or for the nine months then ended. The Company expects the impact of adopting the new revenue standard to be immaterial to net income on an ongoing basis.

Revenue Recognition

The Company recognizes revenue from sales of services for rigging, millwrighting, in plant maintenance, equipment erection, relocation, and disassembly at the point in time when the performance obligations in the contract are met, which is when the customer obtains control of such products and typically occurs upon delivery depending on the terms of the underlying contracts. Revenue is measured as the amount of consideration expected to be received in exchange for transferring goods or providing services. In some instances, the Company enters into contracts with customers that contain multiple performance obligations to deliver volumes of co-products over a contractual period of less than 12 months. The Company allocates the transaction price to each performance obligation identified in the contract based on relative standalone selling prices and recognizes the related revenue as control of each individual product is transferred to the customer in satisfaction of the corresponding performance obligation.

Recently Issued Accounting Standards

In February 2016, The FASB issued ASU 2016-02 (Topic 842), "Leases". ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The Company will adopt this standard starting October 1, 2019. The Company does not believe adoption will have a material effect on its financial position.

Reclassifications

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

NOTE 3 – LOSS PER COMMON SHARE

Basic income/(loss) per common share is computed as income/(loss) applicable to common stockholders divided by the weighted-average number of common shares outstanding for the period. Diluted income/(loss) per common share reflects the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common stock.

The following table represents common stock equivalents that were excluded from the computation of diluted loss per share for the three and nine months ended June 30, 2019 and 2018, because the effect of their inclusion would be anti-dilutive.

	For the three and nine months ended June 30, (unaudited)	
	2019	2018
Options	79,111	79,687
Warrants	433,965	433,965
	<u>513,076</u>	<u>513,652</u>

NOTE 4 – SEGMENT INFORMATION

The Company reports and evaluates financial information for three segments: Advanced Technologies (AT) segment, the Electronics Manufacturing (EM) segment and the Industrial Technology (IT) segment. The AT segment develops smart devices and provides progressive design and development solutions to create impactful experiences for mobile, web, virtual and augmented reality, wearables and television as well as providing cutting edge, mission critical security and video surveillance. The EM segment 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. This segment also sells software development services for mobile, web, virtual reality, and PC applications. The IT segment offers single-source expertise and services for rigging, millwrighting, in plant maintenance, equipment erection, relocation, and disassembly to diversified customers in USA. The segment also sells a complete line of air filtration and environmental control instruments & products to a wide variety of customers in industries such as: chemical, cement, steel, food, construction, mining, & petrochemical worldwide.

The following tables summarize the Company's segment information:

	For the three months ended		For the nine months ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Revenues from external customers				
Advanced Technologies	6,528,484	300,338	\$ 13,924,097	\$ 931,009
Electronics Manufacturing	11,003,706	11,216,531	33,130,143	41,874,472
Industrial Technology	4,919,860	7,647,445	16,289,851	29,154,029
Total revenues	22,452,050	19,164,314	\$ 63,344,091	\$ 71,959,510
Gross profit				
Advanced Technologies	2,528,338	63,539	\$ 5,831,813	\$ 545,098
Electronics Manufacturing	4,470,216	4,694,457	13,579,805	15,938,503
Industrial Technology	1,573,022	2,505,419	5,604,472	8,811,636
Total gross profit	8,571,576	7,263,415	\$ 25,016,090	\$ 25,295,237
Operating (loss) income				
Advanced Technologies	(391,053)	(1,344,211)	\$ (4,058,782)	\$ (1,154,348)
Electronics Manufacturing	91,175	370,696	(69,703)	644,845
Industrial Technology	(163,944)	(257,268)	(934,125)	309,934
Total operating (loss) income	(463,822)	(1,230,783)	\$ (5,062,610)	\$ (199,569)
Other income (expense)				
Advanced Technologies	(351,466)	18	\$ (545,851)	\$ 8,061
Electronics Manufacturing	11,983	(310,296)	(33,989)	(39,127)
Industrial Technology	(1,821,961)	(263,145)	(2,263,211)	(316,472)
Total other income (expense)	(2,161,444)	(573,423)	\$ (2,843,051)	\$ (347,538)
Depreciation and Amortization				
Advanced Technologies	245,248	-	\$ 1,112,240	\$ -
Electronics Manufacturing	705,611	425,904	1,529,309	1,300,828
Industrial Technology	548,200	473,029	1,492,414	1,282,817
Total depreciation and amortization	1,499,059	898,933	\$ 4,133,963	\$ 2,583,645

NOTE 5 – 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 Company had no assets reportable under ASC 820 at June 30, 2019 and 2018.

NOTE 6 – RESTRICTED CASH

A subsidiary of the Company participates in a consortium in order to self-insure group care coverage for its employees. The plan is administrated by Benecon Group and the Company makes monthly deposits in a trust account to cover medical claims and any administrative costs associated with the plan. These funds, as required by the plan are restricted in nature and amounted to \$873,293 as of June 30, 2019. The Company also records a liability for claims that have been incurred but not recorded at the end of each year. The amount of the liability is determined by Benecon Group. The liability recorded in accrued expenses amounted to \$110,858 as of June 30, 2019 and \$104,987 at September 30, 2018.

NOTE 7 – ACCOUNTS RECEIVABLE, NET

Trade receivables, net consist of the following:

	June 30, 2019	September 30, 2018
Accounts receivable	\$ 16,426,107	\$ 14,244,363
Allowance for doubtful accounts	(298,708)	(298,708)
	<u>\$ 16,127,399</u>	<u>\$ 13,945,655</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 8 – INVENTORY, NET

Inventory, net, consist of the following:

	June 30, 2019	September 30, 2018
Raw materials	\$ 9,135,022	\$ 8,654,497
Work in progress	1,952,284	1,412,828
Finished goods	5,629,301	2,298,081
	<u>16,716,607</u>	<u>12,365,406</u>
Less: Allowance for inventory obsolescence	(985,479)	(1,010,948)
Inventory –net of allowance for inventory obsolescence	<u>\$ 15,731,128</u>	<u>\$ 11,354,458</u>

NOTE 9 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	June 30, 2019	September 30, 2018
Land	\$ 1,241,720	\$ 1,063,715
Building	5,192,036	5,321,926
Furniture and office equipment	2,655,049	2,685,315
Computers and software	7,119,285	6,762,046
Trade show display	89,330	-
Machinery and equipment	28,344,259	22,102,390
	<u>44,641,679</u>	<u>37,935,392</u>
Less: Accumulated depreciation	(20,233,031)	(10,634,738)
Property and equipment, net	<u>\$ 24,408,648</u>	<u>\$ 27,300,654</u>

Depreciation expense for the three and nine months ended June 30, 2019 and 2018 were \$1,636,517 and \$861,815 and \$4,248,075 and \$2,583,465, respectively.

NOTE 10 – PREPAID AND OTHER CURRENT ASSETS

On June 30, 2019, the Company had prepaid and other current assets consisting of prepayments on inventory purchases of \$935,782, other current assets of \$1,553,690 and other receivables of \$1,991,354. On September 30, 2018, the Company had prepaid and other current assets consisting of prepayments on inventory purchases of \$1,026,441, other current assets of \$1,115,201 and other receivables of \$1,991,354.

NOTE 11 - OTHER ASSETS

As of June 30, 2019, the Company had other assets of \$4,584,547 which was comprised of rent security of \$74,125, deferred tax assets of \$3,361,529, and other assets of \$1,148,893. As of September 30, 2018, the Company had other assets of \$3,093,607 which was comprised of rent security of \$126,078, and deferred tax assets of \$2,967,529.

NOTE 12 – SHORT-TERM LIABILITES

The Company's subsidiaries have revolving lines of credit with various banks in order to fund operations. As of June 30, 2019, the balance of these accounts were \$2,762,460.

On February 12, 2018 the Company's subsidiary ROB Centrex GmbH obtained a \$3,680,079 (€3,000,000 based on the exchange rate at the time) secured loan with Deutsche Bank. This loan carries interest of EURIBOR (Euro Interbank Offer Rate) plus 1.25% per annum (1.033% as of June 30, 2018) and is payable on January 1, 2020. ROB Centrex GmbH has pledged its receivables to secure this loan. As of June 30, 2019, the loan had a balance of \$3,293,156, based on the exchange rate at the time.

On May 11, 2018, the Company issued a note payable to an unrelated third party, for \$1,725,000. This note carries interest of 8% and is due after 18 months. During the nine months ended June 30, 2019, 205,039 shares of the Company's common stock have been issued to satisfy \$373,763 of this note. As of June 30, 2019, \$1,553,994 of this note remains outstanding including \$202,757 in accrued interest and fees. Subsequent to June 30, 2019 \$745,352 of this loan was paid with the Company's Common Stock and reclassified as long-term.

On September 21, 2018, the Company's subsidiary, Vicon, entered into a \$5,600,000 Term Loan Agreement with NIL Funding Corporation. This note carries interest of 8.95% and has a maturity date of March 30, 2020. As of June 30, 2019, \$5,500,000 of this note remains outstanding.

As of June 30, 2019, there were \$1,644,020 in current portion of long-term liabilities.

NOTE 13 – RELATED PARTY TRANSACTIONS

As of December 31, 2018, the Company has completed the move of its corporate headquarters New York City. Prior to December 31, 2018, the Company leased its principal office at Farmingdale, New York, 8,000 square feet of office and warehouse/assembly space on a month to month lease in a building owned by an officer of the Company, at a monthly rental of \$10,000. For the three months ended June 30, 2019 and 2018 rent expense under this lease was \$0 and \$30,000, respectively. For the nine months ended June 30, 2019 and 2018 rent expense under this lease was \$30,000 and \$90,000, respectively.

As of June 30, 2019, and September 30, 2019, the Company had receivables from a related company owned by an officer of the Company of \$266,124 and \$165,220, respectively and payables of \$155,600 and \$0, respectively.

NOTE 14 – 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 \$4,006,500 (€3,000,000, 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. As of June 30, 2019, the loan had a balance of \$1,139,355, based on the exchange rate at June 30, 2019, with \$472,352 classified as short-term.

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 Services, Inc. \$5,000,000 of the proceeds went to direct purchase of AIS. This loan carries interest of LIBOR plus 2.25% per annum (4.45% as of June 30, 2019) and is payable on December 15, 2022. As of June 30, 2019, the loan had a balance of \$2,792,590 with \$610,882 classified as short-term.

On December 15, 2015, the Company acquired a loan from Fulton Bank in the amount of \$620,000 in order to fund the operations of Advanced Industrial Services, Inc. This loan carries interest of LIBOR (4.20% as of June 30, 2019) plus 2.00% per annum and is payable on December 15, 2020. As of June 30, 2019, the loan had a balance of \$198,857 with \$128,754 classified as short-term.

On May 1, 2018, the Company acquired a loan from Fulton Bank in the amount of \$400,000 in order to fund new equipment for Advanced Industrial Services, Inc. This loan carries interest of LIBOR plus 2.00% per annum (4.20% as of June 30, 2019) and is payable on May 1, 2023. As of June 30, 2019, the loan had a balance of \$324,924 with \$77,784 classified as short-term.

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 \$5,500,400 (€4,000,000 based upon the exchange rate on March 1, 2014). This mortgage carries interest of 3.00% and is payable over 17 years. As of June 30, 2019, the loan had a balance of \$3,505,905, based on the exchange rate at June 30, 2019, with \$239,046 classified as short-term.

Notes payable

Upon acquisition of AIS, the Company assumed a promissory note related to the purchase of shares from a former shareholder in 2011. The note requires ten annual payments of principal plus interest at treasury bill rates. The note matures in 2022. As of June 30, 2019, the note had a balance of \$126,939 with \$92,484 classified as short-term.

On November 15, 2017, the Company issued a note payable to an unrelated third party, for \$2,300,000. This note carries interest of 8% and is due after 18 months. At September 30, 2018 1,475,000 of this note was outstanding with \$225,000 classified as long-term. During the nine months ended June 30, 2019, 498,452 shares of the Company's common stock have been issued to satisfy \$1,450,000 of this note. As of June 30, 2019, \$278,282 of this note remains outstanding including \$253,282 in accrued interest and fees. Subsequent to June 30, 2019 the balance of this loan was paid with the Company's Common stock and reclassified as long-term.

On June 17, 2019, the Company issued a note payable to an unrelated third party, for \$1,528,000. This note carries interest of 10% and is due after 18 months. As of June 30, 2019, \$1,533,527 of this note remains outstanding including \$5,527 in accrued interest.

Subsequent to June 30, 2019 \$745,352 of a short-term note was paid with the Company's Common Stock and reclassified as long-term.

NOTE 15 – STOCKHOLDERS' EQUITY

Preferred Stock

The Company is authorized to issue 10,000,000 shares of Preferred Stock, \$0.001 par value. As of December 31, 2018, and September 30, 2018, there were 3,110,718 and 2,914,168 shares issued and outstanding, respectively.

Series 1 Preferred Stock

For the nine months ended June 30, 2019, 196,550 shares of Series 1 Preferred Stock were issued to pay \$1,965,500 worth of dividends to holders of Series 1 Preferred Stock.

As of June 30, 2019, and September 30, 2018, there were 2,110,718 and 1,914,168 shares of Series 1 Preferred Stock issued and outstanding, respectively.

Series A Preferred stock

During the nine-month periods ended June 30, 2019 and 2018, the Company did not issue any Series A Preferred Stock.

As of June 30, 2019, and September 30, 2018, there were 1,000,000 shares of Series A Preferred Stock issued and outstanding.

Series B Preferred Stock

On March 22, 2019, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with an unaffiliated institutional investor (the "Investor"), pursuant to which the Company agreed to issue to the Investor 2,500 shares of common stock, a warrant to purchase 25,000 shares of common stock and 2,100 shares of Series B Preferred Stock, stated value \$500 per share. The Series B Preferred Stock has a maturity date of one year from the issuance date and the Company has agreed to pay dividends on the outstanding shares of Series B Preferred at the rate equal to 7.5% per annum (increasing by 10% upon the occurrence of each trigger (or default) event). Dividends are payable on the date the shares of Series B Preferred are converted or on maturity. The dividends must be paid in cash or, in certain circumstances, may be paid in shares of Common Stock. As of June 30, 2019, 1,050 shares of Series B Preferred Stock, 2,500 shares of Common Stock, and a Series B warrant to purchase 25,000 shares of common stock were issued for gross proceeds of \$500,000. After deducting offering expenses of \$25,000 the Company received \$475,000 in net proceeds. During the three months ended June 30, 2019, the Company issued 1,384,485 (175,562 as adjusted for the reverse stock split) shares of common stock to convert 700 shares of Series B Preferred Stock and recognized \$130,190 on the amortized deemed dividend.

On June 10, 2019, the Company settled its litigation with the Investor to cancel all outstanding Series B Preferred Stock and Series B Warrants for the sum of \$1,000,000. As of June 30, 2019, no shares of Series B Preferred Stock are issued or outstanding. The sum of \$666,667 has been recognized as other loss and associated legal costs have been expensed in this quarter.

Common Stock

The Company is authorized to issue 20,000,000 shares of common stock, \$0.001 par value. As of June 30, 2019, there were 2,594,239 shares issued and outstanding and at September 30, 2018, there were 1,621,719 shares issued and outstanding.

During the nine months ended June 30, 2019, 703,494 shares of the Company's common stock have been issued to satisfy \$1,823,673 of a short-term note payable and interest, 25,126 shares were issued in a Subscription Rights Offering (See below), 27,953 shares were issued and held in trust and 34,547 were issued upon sale in an At-the-Market Offering Agreement (See below), and 2,500 were issued in a Securities Purchase Agreement (See above), 175,562 were issued upon the conversion of Series B Preferred Stock (see above), and 3,338 shares were issued to found up partial shares in the reverse stock split (see Note 1).

Subscription Rights Offering

On November 26, 2018, Cemtrex, Inc. (the "Company") commenced a rights offering to its stockholders ("Rights Offering"). Pursuant to the Rights Offering, the Company has distributed, at no charge to holders of record of the Company's common stock and series 1 warrants as of November 19, 2018 (the "Record Date"), non-transferable subscription rights to purchase up to an aggregate of \$2,700,000 worth of shares of common stock, at a purchase price equal to the lesser of (i) \$1.06 per share (in which case 2,547,170 shares may be sold), or (ii) 95% of the volume weighted average price of the Company's common stock for the five trading day period through and including December 19, 2018, which is the initial expiration date of the Rights Offering, all as set forth in the Prospectus Supplement filed on November 21, 2018 with the Securities and Exchange Commission (the "Prospectus Supplement"). On December 19, 2018 the price was set at \$0.75 per share and the expiration date was extended to December 21, 2018. Each stockholder of record on the Record Date received one right for each one share of common stock held by the stockholder, and each series 1 warrant holder of record on the Record Date received one right for every ten shares for which their warrant is exercisable. Each right entitles the holder to purchase one share of the Company's common stock, subject to proration. In connection with the Rights Offering, the Company entered into a Dealer-Manager Agreement (the "Agreement") with Advisory Group Equity Services, Ltd. Doing business as RHK Capital ("RHK"). As of June 30, 2019, 201,002 (25,126, as adjusted for the reverse stock split) shares of common stock were issued for gross proceeds of \$150,721. After deducting offering expenses of \$12,027 the Company received \$138,694 in net proceeds.

At-the-Market Offering Agreement

On January 28, 2019, the “Company entered into an At-the-Market Offering Agreement (the “Agreement”) with Advisory Group Equity Services, Ltd. Doing business as RHK Capital (the “Manager”), pursuant to which the Manager will act as the Company’s sales agent with respect to the issuance and sale of up to \$2,000,000 of the Company’s shares of common stock, par value \$0.001 per share (the “Shares”), from time to time in an at-the-market public offering (the “Offering”).

Sales of the Shares, through the Manager, will be made directly on The NASDAQ Capital Market, on any other existing trading market for our common stock or to or through a market maker. The Manager may also sell the Shares in privately negotiated transactions, provided that the Manager receives our prior written approval for any sales in privately negotiated transactions. The Company will pay the Manager a commission equal to 3.0% of the gross proceeds from the sale of the Shares pursuant to the Sales Agreement. As of June 30, 2019, 223,628 (27,953 as adjusted for the reverse stock split) shares of common stock were issued and are held in trust. During the nine months ended June 30, 2019, 276,372 (34,547 as adjusted for the reverse stock split) were issued for gross proceeds of \$209,974. After deducting offering expenses of \$6,296 the Company received \$203,679 in net proceeds.

NOTE 16 – SHARE-BASED COMPENSATION

For the three months ended June 30, 2019 and 2018, the Company recognized \$39,983 and zero of share-based compensation expense on its outstanding options, respectively. For the nine months ended June 30, 2019 and 2018, the Company recognized \$112,200 and zero of share-based compensation expense on its outstanding options, respectively. As of June 30, 2018, \$76,375 of unrecognized share-based compensation expense is expected to be recognized over a period of two years. Future compensation amounts will be adjusted for any change in estimated forfeitures.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

The Company has moved its corporate activities to New York City with a lease of 1,000 square feet of office space at a rate of \$13,000 per month that expires June 30, 2020.

The Company’s IT segment leases (i) approx. 5,000 square feet of office and warehouse space in Liverpool, New York from a third party on a month to month lease at a monthly rent of \$2,200, (ii) approximately 25,000 square feet 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, 2022, (iii) approximately 43,000 square feet of office and warehouse space in York, PA from a third party in a seven year lease at a monthly rent of \$21,825 expiring on December 13, 2022, (iv) approximately 15,500 square feet of warehouse space in Emigsville, PA from a third party in a one year lease at a monthly rent of \$4,555 expiring on August 31, 2019.

The Company’s EM segment owns a 70,000 square-foot manufacturing building in Neulingen. The EM segment also leases (i) a 10,000 square foot manufacturing facility in Sibiu, Romania from a third party in a ten-year lease at a monthly rent of \$9,363 (€8,000) expiring on May 31, 2029.

The Company’s AT segment leases (i) approximately 6,700 square feet of office and warehouse space in Pune, India from a third party in an eighteen-month lease at a monthly rent of \$6,265 (INR454,365) expiring on September 6, 2019, (ii) approximately 27,000 square feet of office and warehouse space in Hauppauge, New York from a third party in a five-year lease at a monthly rent of \$25,480 expiring on April 30, 2020, (iii) approximately 9,400 square feet of office and warehouse space in Southampton, England in a fifteen-year lease with at a monthly rent of \$87,745 (€69,250) which expires on March 24, 2031 and contains provisions to terminate in 2021 and 2026.

NOTE 19 - SUBSEQUENT EVENTS

Cemtrex has evaluated subsequent events up to the date the condensed consolidated financial statements were issued. Cemtrex concluded that the following subsequent events have occurred and require recognition or disclosure in the condensed consolidated financial statements.

On July 1, 2019, the Company entered into a Securities Purchase Agreement relating to the public offering of 224,215 shares (the “Shares”) of the Company’s common stock, par value \$0.001 per share, all of which were sold by the Company (the “Offering”) to an accredited investor. The Offering price of the Shares was \$2.23 per share. After offering expenses and a 5% commission paid to the Company’s placement agent, the Company received net proceeds of approximately \$467,500 from the Offering.

In July and August of 2019, the Company issued 548,655 shares of Common Stock to satisfy \$1,023,634 worth of notes payable and accrued interest.

On August 15, 2019 the Company closed on the sale of its subsidiaries ROB Cemtrex GmbH, ROB Systems Srl, ROB Cemtrex Assets UG, ROB Cemtrex Logistics GmbH for €6,367,199.

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

Centrex was incorporated in 1998, in the state of Delaware and has evolved through strategic acquisitions and internal growth from a small environmental monitoring instruments company into a world leading multi-industry technology company that provides a wide array of solutions to meet today's consumer, commercial, and industrial challenges. Centrex manufactures advanced custom engineered electronics, including SmartDesk, extensive industrial services, integrated hardware and software solutions, proprietary IoT and wearable devices, and systems for controlling particulates and other regulated pollutants. Unless the context requires otherwise, all references to "we", "our", "us", "Company", "registrant", "Centrex" or "management" refer to Centrex, Inc. and its subsidiaries.

Advanced Technologies (AT)

Centrex's Advanced Technologies segment delivers cutting-edge technologies in the IoT, Wearables and Smart Devices, such as SmartDesk. Through our advanced engineering and product design, we deliver progressive design and development solutions to create impactful experiences for mobile, web, virtual and augmented reality, wearables and television as well as providing cutting edge, mission critical security and video surveillance. Through its Centrex VR division, the Company is developing a wide variety of applications for virtual and augmented reality markets.

Electronics Manufacturing (EM)

Centrex's Electronics Manufacturing (EM) segment, 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.

Industrial Technology (IT)

Centrex's Industrial Technology (IT) segment, offers single-source expertise and services for rigging, millwrighting, in plant maintenance, equipment erection, relocation, and disassembly to diversified customers in USA. The segment also sells a complete line of air filtration and environmental instruments and control products to a wide variety of customers in industries such as: chemical, cement, steel, food, construction, mining, & petrochemical worldwide.

Significant 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 “significant”, 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 significant 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, 2018.

Results of Operations - For the three months ending June 30, 2019 and 2018

Total revenue for the three months ended June 30, 2019 and 2018 was \$22,452,050 and \$19,164,314, respectively, an increase of \$3,287,736, or 17%. Net income available to common shareholders for the three months ended June 30, 2019 and 2018 was a loss of \$2,933,338 and a loss of \$3,498,291, respectively, a decrease in the loss of \$564,953, or 16%. Total revenue in the third quarter increased, as compared to total revenue in the same period last year, mainly due to revenues in the Advanced Technologies Segment, which had an increase in revenues of \$6,228,146 compared to the same period last year, a small decrease in revenues in the Electronics Manufacturing segment, and lower sales in the Industrial Technology segment due to the softening demand for environmental products. Net loss available to common shareholders decreased due to decreased personnel and research and development expenses in the Advanced Technologies segment offset by the consolidation of the variable interest entity, Vicon Industries, Inc., higher interest and other expenses due to one-time expenses related to the Company’s notes payable and settlement of litigation regarding the Series B Preferred Stock, and lower revenues in the Industrial Technology segment in response the decline in demand for environmental products.

Revenues

Our Advanced Technologies segment revenues for the three months ended June 30, 2019, increased by \$6,228,146 or 2,074% to \$6,528,484 from \$300,338 for the three months ended June 30, 2018. This is a new segment for the Company, and we anticipate revenues to grow with development and investment in this division.

Our Electronics Manufacturing segment revenues for the three months ended June 30, 2019, decreased by \$212,825 or 2% to \$11,003,706 from \$11,216,531 for the three months ended June 30, 2018. The primary reason for decreased sales in US dollars are changes in the average exchange rates between the EURO and US Dollar during the respective periods.

Our Industrial Technology segment revenues for the three months ended June 30, 2019, decreased by \$2,727,585 or 36%, to \$4,919,860 from \$7,647,445 for the three months ended June 30, 2018. The decrease was primarily due to decreased demand for environmental products globally and as result of relaxation of environmental regulations by the current administration.

Gross Profit

Gross Profit for the three months ended June 30, 2019 was \$8,571,576 or 38% of revenues as compared to gross profit of \$7,263,415 or 38% of revenues for the three months ended June 30, 2018. Gross profit as a percentage of revenues in the three months ended June 30, 2019 was the same compared to the three months ended June 30, 2018 as the Company works to achieve economies of scale, lower expenses, and shift to products and services with higher margins. The Company’s gross profit margins vary from product to product and from customer to customer.

General and Administrative Expenses

General and administrative expenses for the three months ended June 30, 2019 increased \$2,501,432 or 40% to \$8,749,545 from \$6,248,113 for the three months ended June 30, 2018. General and administrative expenses as a percentage of revenue was 39% and 33% of revenues for the three-month periods ended June 30, 2019 and 2018. The dollar for dollar and percentage increases in operating expenses was due to increased expenses in sales and marketing for the SmartDesk and VR applications in the Advanced Technologies segment as well as the consolidation of Vicon Industries, Inc..

Research and Development Expenses

Research and Development expenses for the three months ended June 30, 2019 was \$285,853 compared to \$2,246,085 for the three months ended June 30, 2018. Research and Development expenses are primarily related to the Advanced Technologies Segment's development of proprietary software and further developments of the SmartDesk.

Other Income/(Expense)

Other income/(expense) for the third quarter of fiscal 2019 was \$(2,161,444) as compared to \$(573,423) for the third quarter of fiscal 2018. Other income/(Expense) for the three months ended June 30, 2019 was primarily due to interest expense related to discounts on the stock issued to pay the Company's interest-bearing payables and a one-time expense related to the litigation settlement regarding the Series B Preferred Stock.

Provision for Income Taxes

During the third quarter of fiscal 2019 we recorded an income tax benefit of \$736,310 compared to a provision of \$182 for the third quarter of fiscal 2018. 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 their respective income tax jurisdictions.

Comprehensive income/loss available to common shareholders

The Company had a comprehensive loss available to common shareholders of \$3,102,266 or 14% of revenues, for the three-month period ended June 30, 2019 as compared to a comprehensive loss available to common shareholders of \$4,120,359 or 22% of revenues, for the three months ended June 30, 2018. Comprehensive loss available to common shareholders in the third quarter decreased, as compared to comprehensive loss available to common shareholders in the same period last year, due the higher revenues in the Advanced Technologies segment.

Results of Operations - For the nine months ending June 2019 and 2018

Total revenue for the nine months ended June 30, 2019 and 2018 was \$63,344,091 and \$71,959,510, respectively, a decrease of \$8,615,419, or 12%. Net income available to common shareholders for the nine months ended June 30, 2019 and 2018 was a loss of \$8,051,287 and \$2,342,829, respectively, an increase of the loss of \$5,708,458, or 244%. Total revenue in the first three quarters decreased, as compared to total revenue in the same period last year, due to decreased revenues in the Electronics Manufacturing segment, and lower sales in the Industrial Technology segment due to the softening demand for environmental products offset by revenues in the Advanced Technologies Segment, which had an increase in revenues of \$12,993,088 as compared to the same period last year. Net income available to common shareholders decreased due to increased expenses in sales and marketing for the SmartDesk and VR applications in the Advanced Technologies segment as well as the consolidation of the variable interest entity, Vicon Industries, Inc., higher interest and other expenses due to one-time expenses related to the Company's notes payable and settlement of litigation regarding the Series B Preferred Stock, and lower revenues in the Industrial Technology segment in response the decline in demand for environmental products.

Revenues

Our Advanced Technologies segment revenues for the nine months ended June 30, 2019 increased by \$12,933,088 or 1,396% to \$13,924,097 from \$931,009 for the nine months ended June 30, 2018. This is a new segment for the Company, and we anticipate revenues to grow with development and investment in this division.

Our Electronics Manufacturing segment revenues for the nine months ended June 30, 2019 decreased by \$8,744,329 or 21% to \$33,130,143 from \$41,874,472 for the nine months ended June 30, 2018. The primary reason for decreased sales was due to the loss of two customers in the EM subsequent to the first quarter of fiscal 2018, one as a result of consolidation and other due to obsolescence of their product.

Our Industrial Technology segment revenues for the nine months ended June 30, 2019 decreased by \$12,864,178 or 44%, to \$16,289,851 from \$29,154,029 for the nine months ended June 30, 2018. The decrease was primarily due to decreased demand for environmental products globally and as result of relaxation of environmental regulations by the current administration.

Gross Profit

Gross Profit for the nine months ended June 30, 2019 was \$25,016,090 or 39% of revenues as compared to gross profit of \$25,295,237 or 35% of revenues for the nine months ended June 30, 2018. Gross profit as a percentage of revenues in the nine months ended June 30, 2019 increased as compared to the nine months ended June 30, 2018 as the Company works to achieve economies of scale, lower expenses, and shift to products and services with higher margins. The Company's gross profit margins vary from product to product and from customer to customer.

General and Administrative Expenses

General and administrative expenses for the nine months ended June 30, 2019 increased \$5,900,096 or 26% to \$28,941,719 from \$23,041,623 for the nine months ended June 30, 2018. General and administrative expenses as a percentage of revenue was 46% and 32% of revenues for the nine-month periods ended June 30, 2019 and 2018. The dollar for dollar and percentage increases in operating expenses was due to increased expenses in sales and marketing for the SmartDesk and VR applications in the Advanced Technologies segment as well as the consolidation of Vicon Industries.

Research and Development Expenses

Research and Development expenses for the nine months ended June 30, 2019 was \$1,136,981 compared to \$2,453,183 for the nine months ended June 30, 2018. Research and Development expenses are primarily related to the Advanced Technologies Segment's development of proprietary software and further developments of the SmartDesk.

Other Income/(Expense)

Other income/(expense) for the three quarters of fiscal 2019 was \$(2,843,051) as compared to \$(347,538) for the first three quarters of fiscal 2018. Other income/(Expense) for the nine months ended June 30, 2019 was primarily due to interest expense related to discounts on the stock issued to pay the Company's interest-bearing payables and a one-time expense related to the litigation settlement regarding the Series B Preferred Stock.

Provision for Income Taxes

During the first and second quarters of fiscal 2019 we recorded an income tax benefit of \$1,843,157 compared to a provision of \$101,819 for the first and second quarters of fiscal 2018. 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 their respective income tax jurisdictions.

Comprehensive income/loss available to common shareholders

The Company had a comprehensive loss available to common shareholders of \$9,249,975 or 15% of revenues, for the nine-month period ended June 30, 2019 as compared to a comprehensive loss available to common shareholders of \$3,191,621 or 4% of revenues, for the nine months ended June 30, 2018. Comprehensive income available to common shareholders in the first three quarters increased, as compared to comprehensive loss available to common shareholders in the same period last year, due the higher expenses related to the sales and marketing in the Advanced Technologies segment, interest expense related to discounts on the stock issued to pay the Company's interest-bearing payables and a one-time expense related to the litigation settlement regarding the Series B Preferred Stock, and lower revenues in the Industrial Technologies segment.

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 \$8,622,272 at June 30, 2019 compared to \$10,011,896 at September 30, 2018. This includes cash and equivalents and restricted cash of \$2,446,118 at June 30, 2019 and \$2,315,935 at September 30, 2018, respectively. The decrease in working capital was primarily due to increased marketing and research & development expenses and net increases in our current assets of \$7,151,023 offset by net increases in our current liabilities of \$8,540,647.

Accounts receivable increased \$2,181,744 or 16% to \$16,127,399 at June 30, 2019 from \$13,945,655 at September 30, 2018. The increase in accounts receivable is largely attributable to the consolidation of the Vicon Industries.

Inventories increased \$4,376,670 or 39% to \$15,731,128 at June 30, 2019 from \$11,354,458 at September 30, 2018. The increase in inventories is attributable to the consolidation of Vicon Industries.

Operating activities provided \$2,892,612 of cash for the nine months ended June 30, 2019 compared to providing \$7,685,132 of cash for the nine months ended June 30, 2018. The decrease in operating cash flows was primarily due to the increase in the net loss, as compared to the same period a year ago.

Investment activities used \$1,645,480 of cash for the nine months ended June 30, 2019 compared to using cash of \$12,845,859 during the nine-month period ended June 30, 2018. Investing activities for the first three quarters of 2019 were driven by the Company's investment in fixed assets.

Financing activities provided \$81,739 of cash in the nine-month period ended June 30, 2019 as compared to using cash of \$617,925 in the nine-month period ended June 30, 2018. Financing activities were primarily driven by payments on bank loans, notes payable, proceeds and expenses of notes payable and equity offerings, and use of the Company's revolving credit lines.

We believe that our cash on hand and cash generated by operations is sufficient to meet the capital demands of our current operations during the 2019 fiscal year (ending September 30, 2019). 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.

Overall, there is no guarantee that cash flow from our existing or future operations and any external capital that we may be able to raise will be sufficient to meet our expansion goals 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 Interim Chief Financial Officer (“ICFO”), or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our CEO and our ICFO have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2019, based on its evaluation, our management concluded that as of June 30, 2019 there is a material weakness in our internal control over financial reporting. The material weakness relates to the Company lacking sufficient, qualified, accounting personnel. The shortage of qualified accounting personal resulted in the Company lacking entity level controls around the review of period-end reporting processes, accounting policies and public disclosures. This deficiency is common in small companies, similar to us, with limited personnel.

In order to mitigate the material weakness, the Board of Directors has assigned a priority to the short-term and long-term improvement of our internal control over financial reporting. Our Board of Directors will work with management to continuously review controls and procedures to identified deficiencies and implement remediation within our internal controls over financial reporting and our disclosure controls and procedures.

Changes in Internal Control Over Financial Reporting

While 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, the Company is taking steps to improve its internal controls by obtaining additional qualified accounting personnel.

Part II Other Information

Item 1. Legal Proceedings.

Three securities class action complaints were filed against our company and certain of our executive officers in the U.S. District Court for the Eastern District of New York on February 24, 2017. Under the requirements of the Private Securities Litigation Reform Act of 1995, these three alleged class actions, as well as any further related actions, were consolidated into a single lawsuit on March 9, 2018. A follow-on, related derivative complaint also was filed against us and our executive officers and directors in New York State court on April 10, 2017. That derivative action has been stayed by agreement of the parties until after the motion to dismiss process in the consolidated alleged class actions has run its course. Pursuant to a stipulated District Court schedule, plaintiffs filed an Amended Consolidated Class Action Complaint on May 7, 2018. We filed a motion to dismiss this class action with the Court on July 6, 2018. On October 4, 2018, the Company reached a settlement on the securities class action litigation through a mediator for an amount of \$625,000 and also reached a settlement on Derivative action for an amount of \$100,000. This settlement is subject to a final court approval which will take several months. The settlement amounts shall be paid by the Company's insurance carrier.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the nine months ended June 30, 2019, the Company issued an aggregate of 703,491 shares of common stock in exchange for aggregate consideration of \$1,823,763, which was used for working capital. Such shares were issued pursuant to the exemption contained under Section 4(a)(2) of the Securities Act of 1933, as amended.

Item 6. Exhibits

Exhibit No.	Description
2.2	Stock Purchase Agreement regarding the stock of Advanced Industrial Services, Inc., AIS Leasing Company, AIS Graphic Services, Inc., and AIS Energy Services, LLC, Dated December 15, 2015. (6)
2.3	Asset Purchase agreement between Periscope GmbH and ROB Centrex Assets UG, ROB Centrex Automotive GmbH, and ROB Centrex Logistics GmbH. (7)
3.1	Certificate of Incorporation of the company.(1)
3.2	By Laws of the company.(1)
3.3	Certificate of Amendment of Certificate of Incorporation, dated September 29, 2006.(1)
3.4	Certificate of Amendment of Certificate of Incorporation, dated March 30, 2007.(1)
3.5	Certificate of Amendment of Certificate of Incorporation, dated May 16, 2007.(1)
3.6	Certificate of Amendment of Certificate of Incorporation, dated August 21, 2007.(1)
3.7	Certificate of Amendment of Certificate of Incorporation, dated April 3, 2015.(3)
3.8	Certificate of Designation of the Series A Preferred Shares, dated September 8, 2009.(2)
3.9	Certificate of Designation of the Series 1 Preferred Stock.(12)
3.10	Certificate of Amendment of Certificate of Incorporation, dated September 7, 2017 (15)
3.11	Certificate of Designations of Series B Redeemable Convertible Preferred Stock.(21)
4.1	Form of Subscription Rights Certificate. (10)
4.2	Form of Series 1 Preferred Stock Certificate. (10)
4.3	Form of Series 1 Warrant. (10)
4.4	Form of Common Stock Purchase Warrant, dated March 22, 2019. (21)
10.7	Loan Agreement between Fulton Bank, N.A. and Advanced Industrial Services, Inc., AIS Acquisition, Inc., AIS Leasing Company, dated December 15, 2015.(6)
10.8	Promissory Note between Kris L. Mailey and AIS Acquisition, Inc. dated December 15, 2015.(6)
10.9	Promissory Note between Michael R. Yergo and AIS Acquisition, Inc. dated December 15, 2015.(6)
10.1	Term Loan Agreement between Centrex GmbH and Sparkasse Bank for Financing of funds within the scope of the Asset-Deals of the ROB Group, dated October 4, 2013.(8)
10.11	Working Capital Credit Line Agreement between Centrex GmbH and Sparkasse Bank, dated October 4, 2013 (updated May 8, 2014).(8)
10.12	Loan Agreement between ROB Centrex GmbH and Sparkasse Bank to finance the purchase of the property at Am Wolfsbaum 1, 75245 Neulingen, Germany, dated October 7, 2013, purchase completed March 1, 2014.(9)
10.13	Nonstatutory Stock Option Agreement entered into as of February 12, 2016 between Centrex, Inc. and Saagar Govil (11)
10.14	Nonstatutory Stock Option Agreement entered into as of December 5, 2016 between Centrex, Inc. and Saagar Govil (13)
10.15	Exchange Agreement dated as of February 1, 2017 and effective February 9, 2017 by and between Centrex Inc. and Ducon Technologies, Inc.(12)
10.16	Nonstatutory Stock Option Agreement entered into as of December 18, 2017 between Centrex, Inc. and Saagar Govil (16)
10.17	Securities Purchase Agreement, dated March 23, 2018, by and between Centrex, Inc. and NIL Funding Corporation. (17)
10.18	Research and Development Services Agreement by and between Vicon Industries, Inc. and Centrex, Inc., (20)
14.1	Corporate Code of Business Ethics.(4)
21.1*	Subsidiaries of the Registrant
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

* Filed herewith

(1) Incorporated by reference from Form 10-12G filed on May 22, 2008.

(2) Incorporated by reference from Form 8-K filed on September 10, 2009.

(3) Incorporated by reference from Form 8-K filed on August 22, 2016.

(4) Incorporated by reference from Form 8-K filed on July 1, 2016.

(5) Intentionally omitted

(6) Incorporated by reference from Form 8-K filed on June 12, 2019.

(7) Incorporated by reference from Form 8-K/A filed on November 24, 2017.

(8) Incorporated by reference from Form 8-K filed on November 21, 2018.

(9) Incorporated by reference from Form 8-K filed on January 28, 2019.

(10) Incorporated by reference from Form S-1 filed on August 29, 2016 and as amended on November 4, 2016, November 23, 2016, and December 7, 2016.

(11) Incorporated by reference from Form 8-K filed on January 24, 2017.

(12) Incorporated by reference from Form 8-K filed on September 8, 2017.

(13) Incorporated by reference from Form 10-K filed on January 11, 2019.

(14) Incorporated by reference from Form 8-K filed on March 22, 2019.

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: August 19, 2019

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

Dated: August 19, 2019

/s/ Aron Govil.
Aron Govil
Interim Chief Financial Officer
and Principal Financial Officer

Name of consolidated subsidiary or entity	State or other jurisdiction of incorporation or organization	Date of incorporation or formation (date of acquisition, if applicable)	Attributable interest
Griffin Filters, LLC	New York	September 6,2005 (April 30,2007)	100%
ROB Cemtrex GmbH	Germany	August 15, 2013 (October 31, 2013)	100%
Cemtrex Ltd	Hong Kong	September 4, 2013	100%
Advanced Industrial Services, Inc.	Pennsylvania	July 20, 1984 (December 15, 2015)	100%
ROB Systems, Srl.	Romania	November 1, 2013	100%
ROB Logistics GmbH	Germany	May 31, 2016 (May 31, 2016)	100%
ROB Assets GmbH	Germany	May 31, 2016 (May 31, 2016)	100%
Cemtrex Advanced Technologies, Inc.	New York	July 11, 2017	100%
Cemtrex Technologies Pvt Ltd.	India	December 21, 2017	100%
Vicon Industries, Inc.	New York	March 23, 2018	70%
Vicon Industries Limited	United Kingdom	March 23, 2018	70%
IQinVision, Inc.	California	March 23, 2018	70%
Vicon Deutschland GmbH)	Germany	March 23, 2018	70%
TeleSite U.S.A., Inc.	New Jersey	March 23, 2018	70%
Vicon Systems Ltd.	Israel	March 23, 2018	70%

**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: August 19, 2019

**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, Aron Govil, certify that:

1. I have reviewed this report on Form 10-Q of Cemtrex, 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/ Aron Govil.

Aron Govil
Interim Chief Financial Officer
and Principal Financial Officer

Dated: August 19, 2019

**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 June 30, 2019, 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: August 19, 2019

**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 June 30, 2019, 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/ Aron Govil.

Aron Govil
Interim Chief Financial Officer
and Principal Financial Officer

Dated: August 19, 2019
