

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549  
FORM 10-Q

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

For the quarterly period ended December 31, 2013  
OR

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

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

Commission File Number 000-53238

**CENTREX, INC.**

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

Delaware  
(State or other jurisdiction of incorporation or  
organization)

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

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

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

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

Yes  No

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

Large accelerated filer  
Non-accelerated filer  
Accelerated filer  
Smaller reporting company

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

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of December 31, 2013, the issuer had 45,999,129 shares of common stock issued and outstanding.

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## CENTREX, INC.

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**Part I. Financial Information****Item 1. Financial Statements****Centrex, Inc. and Subsidiary  
Consolidated Balance Sheets**

	(UNAUDITED) December 31, 2013	(Derived from Audited Financials) September 30, 2013
<b>Assets</b>		
Current Assets		
Cash & Equivalents	\$ 1,413,239	\$ 66,963
Accounts Receivable, Net	394,002	641,264
Accounts Receivable-related party	3,571,017	1,206,372
Inventory –net of allowance for inventory obsolescence	5,294,302	159,348
Prepaid Expenses & Other Assets	5,656,299	432,131
Total Current Assets	16,328,859	2,506,078
Property & Equipment, Net	673,548	9,323
Due From Related Parties	0	0
Other	4,225	4,225
<b>Total Assets</b>	<b>\$ 17,006,632</b>	<b>\$ 2,519,626</b>
<b>Liabilities &amp; Stockholders' Equity (Deficit)</b>		
Current Liabilities		
Accounts Payable	\$ 1,786,187	\$ 571,485
Accrued Expenses	262,822	63,625
Accrued Income Taxes	3,445	0
Customer Deposits	0	0
Total Current Liabilities	2,052,454	635,110
Long term- Liabilities		
Loan payable to Bank	5,068,614	
Loan payable to Ducon	6,933,815	
Notes payable to Shareholder	1,226,505	1,107,484
<b>Total Liabilities</b>	<b>\$ 15,281,388</b>	<b>\$ 1,742,594</b>
Commitments & Contingencies	-	-
Stockholders' Equity (Deficit)		
Preferred Stock Series A, \$0.001 par value, 10,000,000 shares authorized, 1,000,000 shares issued and outstanding, respectively	\$ 1,000	\$ 1,000
Common Stock, \$0.001 par value, 60,000,000 shares authorized, 40,599,129 shares issued and outstanding	40,599	40,599
Additional Paid-in Capital	165,730	165,730
Retained Earnings (Accumulated Deficit)	1,517,915	569,703
Total Stockholders' Equity (Deficit)	1,725,244	777,032
<b>Total Liabilities &amp; Stockholders' Equity (Deficit)</b>	<b>\$ 17,006,632</b>	<b>\$ 2,519,626</b>

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

**Centrex, Inc. and Subsidiary**  
**Consolidated Statements of Operations**  
(Unaudited)

	<b>For the Three Months Ended</b>	
	<b>December 31,</b>	
	<b>2013</b>	<b>2012</b>
Revenues	\$ 8,964,380	\$ 2,186,332
Cost of sales	<u>6,139,642</u>	<u>1,679,300</u>
Gross Profit	2,824,738	507,032
Operating Expenses		
General and Administrative	2,367,061	262,051
Total Operating Expenses	<u>2,367,061</u>	<u>262,051</u>
Operating Income	<u>457,677</u>	<u>244,981</u>
Other Income (Expense)		
Other Income	18,509	-
Interest Expense	<u>(54,358)</u>	<u>(9,466)</u>
Total Other Income (Expense)	(35,849)	(9,466)
Net Income Before Income Taxes	421,828	235,515
Provision for Income Taxes	<u>5,276</u>	<u>68,600</u>
Net Income	<u>\$ 416,552</u>	<u>\$ 166,915</u>
Income (Loss) Per Share-Basic	<u>\$ 0.01</u>	<u>\$ 0.01</u>
Income (Loss) Per Share-Diluted	<u>\$ 0.01</u>	<u>\$ 0.01</u>
Weighted Average Number of Shares-Basic	<u>40,599,129</u>	<u>40,599,129</u>
Weighted Average Number of Shares-Diluted	<u>40,599,129</u>	<u>40,599,129</u>

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

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

	For the Three Months Ended December 31	
	2013	2012
<b>Cash Flows from Operating Activities</b>		
Net income (Loss)	\$ 416,552	166,915
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation & Amortization	(664,225)	2,786
Changes in operating assets and liabilities:		
Accounts Receivable	(2,117,383)	(1,290,782)
Due From Related Party		
Inventory	(5,134,954)	(44,965)
Prepaid Expenses & Other Assets	(1,243,281)	219,690
Others	0	-
Accounts Payable	1,214,702	295,109
Accrued Expenses	199,197	63,738
Income Taxes Payable	3,445	-
<b>Net Cash Used in Operating Activities</b>	<b>(7,325,947)</b>	<b>(587,509)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of equipment		(21,493)
Investment in Subsidiary	(3,449,228)	
<b>Net Cash Used in Investing Activities</b>	<b>(3,449,228)</b>	<b>(21,493)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Affiliated Loan	7,052,837	280,833
Proceeds from Bank loan	5,068,614	
<b>Net Cash Provided by (Used by) Financing Activities</b>	<b>12,121,451</b>	<b>280,833</b>
<b>Net Increase (Decrease) in Cash</b>	<b>1,346,276</b>	<b>(328,169)</b>
Cash Beginning of Period	66,963	333,045
<b>Cash End of Period</b>	<b>\$ 1,413,239</b>	<b>\$ 4,876</b>
Supplemental Disclosure of Cash Flow Information:		
Cash Paid during the period for interest	\$ 0	
Cash Paid during the period for income taxes	\$ 0	

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

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

**Note 1- Basis of Presentation**

The accompanying unaudited financial information should be read in conjunction with the audited consolidated financial statements and the notes thereto included in the Annual Report on Form 10-K for the year ended September 30, 2013 ("2013 Annual Report") of Centrex Inc. ("Centrex" or the "Company"). A summary of the Company's significant accounting policies is identified in Note 1 of the notes to the consolidated financial statements included in the Company's 2013 Annual Report. There have been no changes in the Company's significant accounting policies subsequent to September 30, 2013.

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles 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. 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 consolidated financial statements of the Company include the accounts of Centrex and its 100 % owned subsidiaries as listed below. All significant intercompany balances and transactions have been eliminated.

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 Centrex GmbH	Germany	August 15, 2013 (October 31, 2013)	100 %
Centrex Ltd	Hong Kong	September 4, 2013	100 %
Centrex India Pvt. Ltd.	India	June 13, 2008	100 %

**Note 2- Organization and Operations**

Centrex, Inc.

Centrex Inc. ("Centrex" or the "Company") is a technology company that operates in a wide array of business segments and provides solutions to meet today's industrial challenges. The Company provides electronic manufacturing services of printed circuit board assemblies, provides instruments & emission monitors for industrial processes, and provides industrial air filtration & environmental control systems.

The Company through its Monitoring Instruments and Products (MIP) division manufactures, sells, and services instruments, software and systems for monitoring emissions of Greenhouse gases, hazardous gases, particulate and other regulated pollutants used in emissions trading globally. Centrex also markets technologies for generating carbon credits from low temperature catalytic oxidation of methane ventilating from coal mines. Centrex also provides Green Direct Control Ventilation (DCV) systems for commercial buildings to provide energy efficiency. The Company sells air filtration and environmental control products through its subsidiary Griffin Filters LLC. Centrex through its wholly owned subsidiary ROB Centrex GmbH provides electronic manufacturing services, which includes printed circuit board assemblies and completely assembled electronic products.

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

### **Note 3 – Concentrations and Related Party Transactions**

The Company has operations in the United States, Germany, Hong Kong and India. Sales in the United States totaled \$,114,657 and \$421,832 for the three months ended December 31, 2013 and 2012. Sales outside the United States totaled \$6,849,723(Germany sales-\$6,664,723, Hong Kong sales-\$185,000.) for the period ended December 31, 2013. There were no sales in India.

The Company had sales to Ducon Technologies, Inc., a related party, totaling \$319,053 and \$1,824,000 for the three months ended December 31, 2013 and 2012 , respectively. The accounts receivable from Ducon Technologies, Inc. totaled \$1,175,425 at December 31, 2013 and \$1,824,000 at December 31, 2012..

The Company has prepaid Ducon Technologies, Inc. a related party in the amount of \$1,101,516 and \$174,118 for supplies at December 31, 2013 and December 31, 2012..

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

This Management’s Discussion and Analysis of Financial Condition and Results of Operations of Centrex and its subsidiaries, in which we refer to Centrex Inc. as “Company”, “Centrex” “we”, “our” and “us”, should be read in conjunction with the accompanying unaudited financial statements included in “Item 1. Financial Statements” of this Report and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the “SEC”) on January 3, 2014, for the fiscal year ended September 30, 2013 (“2013 Form 10-K”). Item 7 of the 2013 Form 10-K describes the application of our critical accounting policies, for which there have been no significant changes as of December 31, 2013.

#### **FORWARD-LOOKING STATEMENTS**

Statements in this report may be "forward-looking statements." Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions. These statements are based on current expectations, estimates and projections about our business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may, and are likely to, differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those described above and those risks discussed from time to time in this report, including the risks described under "Risk Factors" in our Form 10 filed June 19, 2008 and any risks described in any other filings we make with the SEC. Any forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this report.

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an on-going basis, we evaluate these estimates, including those related to useful lives of real estate assets, cost reimbursement income, bad debts, impairment, net lease intangibles, contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. There can be no assurance that actual results will not differ from those estimates.

## ITEM 1. BUSINESS

Cemtrex Inc. ("Cemtrex" or the "Company") is a technology company that operates in a wide array of business segments and provides solutions to meet today's industrial challenges. The Company provides electronic manufacturing services of printed circuit board assemblies, provides instruments & emission monitors for industrial processes, and provides industrial air filtration & environmental control systems.

The Company through its Monitoring Instruments and Products (MIP) division manufactures, sells, and services instruments, software and systems for monitoring emissions of Greenhouse gases, hazardous gases, particulate and other regulated pollutants used in emissions trading globally. Cemtrex also markets technologies for generating carbon credits from low temperature catalytic oxidation of methane ventilating from coal mines. Cemtrex also provides Green Direct Control Ventilation (DCV) systems for commercial buildings to provide energy efficiency of up to 40% on existing and new installations. The Company sells air filtration and environmental control products through its subsidiary Griffin Filters LLC. Cemtrex through its wholly owned subsidiary ROB Cemtrex GmbH provides electronic manufacturing services, which includes printed circuit board assemblies and completely assembled electronic products.

The Company was incorporated on April 27, 1998, in the state of Delaware under the name "Diversified American Holdings, Inc." The Company subsequently changed its name to "Cemtrex Inc." on December 16, 2004.

### RECENT DEVELOPMENTS

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

On October 30, 2012, the Company announced that it acquired a stake in Pluto Technologies, Inc. Pluto Technologies, Inc. is a mobile startup that has developed several mobile applications.

### PRODUCTS

The Company offers a range of products, systems and services incorporating diverse technologies, to address the needs of a wide variety of industries around the world. Cemtrex, provides electronic manufacturing services of printed circuit board assemblies, provides instruments for industrial processes, and provides industrial environmental control systems.

Cemtrex through its wholly owned subsidiary ROB Cemtrex GmbH, provides electronic manufacturing services, which includes printed circuit board assemblies and completely assembled electronic products. In connection with the production of assembled products, the Company also provides services to its customers, including (i) automatic and manual assembly and testing of products; (ii) material sourcing and procurement; (iii) manufacturing and test engineering support; and (iv) prototype design services. The Company has the ability to produce assemblies requiring mechanical as well as electronic capabilities. The products produced by the Company are further incorporated into finished products sold in various industries, particularly automotive, telecommunications, appliance, consumer electronics, industrial automation and medical devices. ROB Cemtrex also manufactures custom designed cables, connectors, and wire harnesses for various industrial, medical and automotive applications. ROB Cemtrex provides a broad range of electronic outsource manufacturing solutions to its customers.

Company through its Monitoring Instruments and Products (MIP) division manufactures and sells advanced instruments for emissions monitoring, process analysis, and controls for industrial applications and compliance with environmental regulations. MIP emission monitoring systems are installed at the exhaust stacks of industrial facilities and are used to measure the outlet flue gas concentrations of a range of regulated pollutants. Through use of the company's equipment and instrumentation, Cemtrex clients can monitor the exhausts to the atmosphere from their facilities and comply with Environmental Protection Agency and state and local emission regulations on dust, particulate, fumes, acid gases and other regulated pollutants into the atmosphere.

The Company provides a single source responsibility for design, engineering, assembly, installation and maintenance of systems to its customers. The Company's products are designed to operate so as to allow its users to determine their compliance with the latest governmental emissions regulations. The Company's products measure the concentrations of various regulated pollutants in the flue gases discharging the exhaust stacks at various utilities and industries.

Cemtrex's MIP division also markets a range of crude oil and natural gas analyzers. These products provide real time measurement of various properties specific to the refining processes of oil and gas. Some of the properties include RON, salt and water content, pH, viscosity, and other critical parameters that can be used to improve the blending and refining processes. The analyzers are sold by refineries and similar facilities to optimize the yield of blended and refined product.



MIP's Laser Opacity monitor is used to determine opacity or dust concentration in stack gases. Centrex also provides direct-extractive and dilution-extractive CEMS (continuous emissions monitoring solutions) equipment and systems for use with utilities, industrial boilers, FGD systems, SCR-NOx control, furnaces, gas turbines, process heaters, incinerators in industries such as: chemicals, pulp and paper, steel, power, coal and petrochemical along with municipalities, state and federal governments.

Centrex also designs, manufactures and sells an energy efficiency product line named Green DCV, which provides energy efficiency in HVAC systems for commercial buildings and industrial installations. Centrex's proprietary Green-DCV system accurately monitors CO2 levels inside a building, and then regulates the HVAC air-handling system to save energy and improve air quality. Centrex Green-DCV can provide significant energy savings in buildings where occupancy fluctuates during a 24-hour period, such as: office buildings, government facilities, shopping malls, movie theaters, restaurants & schools.

Company also markets MCDR technology for generating carbon credits from control of Methane from coal mines. MCDR technology utilizes proprietary catalyst to oxidize methane at lower temperatures thus making it economical to destroy methane in ventilation air from coal mines.

The Company through its subsidiary, Griffin Filters, provides a complete line of air filtration and environmental control equipment to industries such as: chemical, cement, steel, food, construction, mining, & petrochemical. Griffin's equipment is used to: (i) remove dust, corrosive fumes, mists, hydrocarbons, volatile organic compounds, submicron particles and particulate from industrial exhausts and boilers; (ii) clean noxious and acid gases such as sulfur dioxide, hydrogen chloride, hydrogen sulfide, chlorides, and organics from industrial exhaust stacks prior to discharging to the atmosphere; and (iii) control emissions of coal, dust, sawdust, phosphates, flyash, cement, carbon black, soda ash, silica, etc. from construction facilities, mining operations and dryer exhausts.

#### SUPPLIERS

The Company is not dependent on, nor expects to become dependent on, any one or a limited number of suppliers. The Company buys parts and components to assemble and manufacture its equipment and products. The Company also utilizes sub-suppliers and third party vendors to procure from or fabricate its components based on its design, engineering and specifications. The Company also enters into subcontracts for field installation, which the Company supervises; and the Company manages all technical, physical and commercial aspects of the performance of the Company contracts. To date, the Company has not experienced difficulties either in obtaining fabricated components and other materials and parts or in obtaining qualified subcontractors for installation work.

#### PARTS, REPAIR AND REFURBISHMENT SERVICES

The Company also provides replacement and spare parts and repair and refurbishment services for all its systems following the expiration of the warranties which generally range up to 12 months. The Company has experienced only minimal costs from its warranties.

The Company's standard terms of sale disclaim any liability for consequential or indirect losses or damages stemming from any failure of its products or systems or any component thereof. The Company seeks indemnification from its subcontractors for any loss, damage or claim arising from the subcontractors' failure to perform.

#### COMPETITION

The Company faces substantial competition in each of its principal markets. Most of its competitors are larger and have greater financial resources than the Company; several are divisions of multi-national companies. The Company competes on the basis of price, engineering and technological expertise, know-how and the quality of its products, systems and services. Additionally, the Company's management believes that the successful delivery, installation and performance of the Company's products and systems is a key factor in gaining business as customers typically prefer to make significant purchases from a company with a solid performance history.

The Company obtains virtually all its contracts through competitive bidding. Although price is an important factor and may in some cases be the governing factor, it is not always determinative, and contracts are often awarded on the basis of the efficiency or reliability of products and the engineering and technical expertise of the bidder. Several companies market products that compete directly with Company's products. Other companies offer products that potential customers may consider to be acceptable alternatives to Company's products and services. The Company faces direct competition from companies with far greater financial, technological, manufacturing and personnel resources.

## INTELLECTUAL PROPERTY

Over the years, the Company has developed proprietary technologies that gives it an edge in competing with its competitors. Thus, the Company relies on a combination of trade secrets and know-how to protect its intellectual property.

## MARKETING

The Company sells its products globally and relies on direct sales force, manufacturing representatives, distributors, commission sales agents, magazine advertisements, internet advertising, trade shows, trade directories and catalogue listings to market its products and services. The Company uses independent sales representatives in the United States backed by its sales management and technical professionals. The Company's arrangements with independent sales representatives accord each a defined territory within which to sell some or all of its products and systems, provide for the payment of agreed-upon sales commissions and are terminable at will. The Company's sales representatives do not have authority to execute contracts on the Company's behalf.

The Company's sales representatives also serve as ongoing liaison function between Company and its customers during the installation phase of the products and systems and address customers' questions or concerns arising thereafter. The Company selects representatives based upon industry reputation, prior sales performance including number of prospective leads generated and sales closure rates, and the breadth of territorial coverage, among other criteria.

Technical inquiries received from potential customers are referred to the engineering personnel. Thereafter, the Company's sales and engineering personnel jointly prepare a budget proposal, or a final bid. The period between initial customer contact and issuance of an order is generally between two and twelve months.

## CUSTOMERS

The Company's principal customers are engaged in automotive, medical, industrial automation, refining, power, chemical, mining and metallurgical processing. Historically, most of the customers have purchased individual products or systems which, in many instances, operate in conjunction with products and systems supplied by others. For several years, the Company has marketed its products as integrated custom engineered systems and solutions. No one single customer accounts for a large percentage of its annual sales.

For the MIP business, the Company is responsible to its customers for all phases of the design, assembly, supply and, if included, field installation of its products and systems. The successful completion of a project is generally determined by a successful operational test of the supplied equipment conducted by our field service technician in the presence of the customer. For ROB Centrex GmbH, the company is responsible for the production, supply, and delivery of products to its customers. In order to satisfy customer orders, the Company must consistently meet production deadlines and maintain a high standard of quality.

## INSURANCE

The Company currently maintains different types of insurance, including general liability and property coverage. The Company does not maintain product liability insurance with respect to its products and equipment. Management believes that the insurance coverage that it has is adequate for its current business needs.

## EMPLOYEES

The Company employs approximately 220 people as of December 31, 2013, including 15 engaged in engineering, 162 in manufacturing and 43 in administrative and marketing functions.

## GOVERNMENT REGULATION

The Company's operations are subject to certain foreign, federal, state and local regulatory requirements relating to, among others, environmental, waste management, labor and health and safety matters. Management believes that the Company's business is operated in material compliance with all such regulations.

Management believes that the existence of governmental regulations creates demand for Company's emission monitoring equipment and environmental control systems. Significant environmental laws, particularly the Federal Clean Air Act, have been enacted in response to public concern about the environment. The Company believes that compliance with and enforcement of these laws and regulations create the demand for its environmental control related products and systems. The Federal Clean Air Act, initially adopted in 1970 and extensively amended in 1990, requires compliance with ambient air quality standards and empowers the EPA to establish and enforce limits on the emission of various pollutants from specific types of industrial facilities. States have primary responsibility for implementing these standards, and, in some cases, have adopted more stringent standards.

## FINANCIAL CONDITION

The following table sets forth selected historical consolidated financial data from our consolidated financial statements and should be read in conjunction with our consolidated financial statements including the related notes and this "Management's Discussion and Analysis of Financial Condition and Results of Operations" section hereof.

For the three month period ended December 31, 2013, we generated revenues of \$8,964,380 which is an increase of \$6,778,048 from the three month period ended December 31, 2012. For the three month period ended December 31, 2013, we generated a net profit of \$416,552. For the three month period ended December 31, 2012, we had a net income of \$166,915. The following table summarizes these results:



Generally, sales are recognized when shipments are made to customers. Rebates, allowances for damaged goods and other advertising and marketing program rebates are accrued pursuant to contractual provisions and included in accrued expenses. A certain amount of our revenues fall under the percentage-of-completion method of accounting used for long-term contracts. Under this method, sales and gross profit are recognized as work is performed based on the relationship between actual costs incurred and total estimated costs at completion. Sales and gross profit are adjusted prospectively for revisions in estimated total contract costs and contract values. Estimated losses are recorded when identified.

## RESULTS OF OPERATIONS

### Three Month Period ending December 31, 2013 compared to Three Month Period ending December 31, 2012

*Net Sales:* Net sales for three months ended December 31, 2013 increased by \$6,778,048 or 310%, to \$8,964,380 from \$2,186,332 for the three months ended December 31, 2012. Sales growth increased during the three month period ended December 31, 2013 primarily due to the acquisition of Rob Cemtrex GmbH . For two(2 )months operation, the latter, had a revenue of \$6,664,723.

*Gross Profit:* Gross Profit for the three months ended December 31, 2013 was \$2,824,738 which made up 31.51% of net sales as compared to Gross profit of \$507,032 for the three months ended December 31, 2012 which was 23.19% of net sales. The Increase in gross margin in the three months ended December 31, 2013 was a direct result of high profit margin jobs shipped during this period as compared to the previous quarter. The higher amount of Gross Profit was due to ROB Cemtrex GmbH acquisition.

*Operating Expenses:* Operating expenses for the three months ended December 31, 2013 increased \$2,105,010 or 803,28% to \$2,367,061 from \$262,051 for the three months ended December 31, 2012. Operating expenses as a percentage of sales increased in the three month period ended December 31, 2013 to 26.40% from 11.98% in the three month period ended December 31.2012. The increase in operating expenses in the current quarter were primarily due to the acquisition of ROB Cemtrex GmbH .

*Net Income/Loss:* The Company had net profit of \$416,552 which was 4.64% of net sales, for the three month period ended December 31, 2013 as compared to a net income of \$166,915 for the three month ended December 31, 2012 which was 7.63% of net sales. The profit in the current quarter increased as compared to income in the previous quarter a year ago, due to higher overall sales. The net income percentage in this period as compared to the previous one was lower as a result of higher operating expenses in the current quarter.

## 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 \$14,276,405 at December 31, 2013 compared to \$1,870,968 at September 30, 2013. This includes cash and cash equivalent of \$1,413,239 at December 31, 2013 and \$66,963 at September 30, 2013, respectively. The reason for the increase in working capital was due to the acquisition of Rob Cemtrex GmbH

Trade receivables increased \$2,117,383 or 114.59% at December 31, 2013 to \$3,965,019 at September 30, 2013 from \$1,847,636 at September 30, 2013. The increased in accounts receivable is attributable to larger operation as a result of acquisition of Rob Cemtrex GmbH.

Inventories increased \$5,134,954 or 3,222.47% to \$5,294,302 at December 31, 2013 from \$159,348 at September 30, 2013. The increased in inventories was due to acquisition of Rob Cemtrex GmbH.

Continuing operations used \$7,325,947 for the three months ended December 31, 2013 compared to using \$587,509 of cash for the three months ended December 31, 2012. The increase in cash flows was primarily due to increase in sales and inventory due to the acquisition of ROB Cemtrex-GmbH. Investment activities for continuing operations used \$3,449,228 of cash compared to providing \$21,493 during 2012. The Financing activities in 2013 provided \$12,121,451 primarily related to loans received by the Company for Rob Cemtrex GmbH acquisition..

We believe that our cash on hand, cash generated by operations, is sufficient to meet the capital demands of our current operations during the 2014 fiscal year (ending September 30, 2014). 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.

## OUTLOOK

We anticipate that the outlook for our products and services remains fairly strong and we are positioned well to take advantage of it.

We believe there is currently a gradually increasing public awareness of the issues surrounding air quality and that this trend will continue for the next several years. We also believe there is an increase in public concern regarding the effects of air quality on society and future generations, as well as an increase in interest by standards-making bodies in creating specifications and techniques for detecting, defining and solving air quality problems. As a result, we believe there will be an increase in interest in our mercury monitors, opacity monitors, carbon credits and air filtration products of subsidiary Griffin Filters. Due to recent regulations by the EPA regarding industrial and commercial boilers we anticipate that over the next six years there will be a major push by many boiler operators to install equipment we develop and market.

We also plan to grow our business this year through means of acquisitions and investments. We believe in long term business strategies of five to seven year time horizons. As a result we are looking to expand into new industries and markets where we can leverage our assets and talent into driving value for our shareholders.

This Outlook section, and other portions of this document, include certain “forward-looking statements” within the meaning of that term in Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, including, among others, those statements preceded by, following or including the words “believe,” “expect,” “intend,” “anticipate” or similar expressions. These forward-looking statements are based largely on the current expectations of management and are subject to a number of assumptions, risks and uncertainties. Our actual results could differ materially from these forward-looking statements. Important factors to consider in evaluating such forward-looking statements include those discussed in Item 1A. Risk Factors of our Form 10K as well as:

- the shortage of reliable market data regarding the emission monitoring & air filtration market,
- changes in external competitive market factors or in our internal budgeting process which might impact trends in our results of operations,
- anticipated working capital or other cash requirements,
- changes in our business strategy or an inability to execute our strategy due to unanticipated changes in the market,
- product obsolescence due to the development of new technologies, and
- Various competitive factors that may prevent us from competing successfully in the marketplace.

In light of these risks and uncertainties, there can be no assurance that the events contemplated by the forward-looking statements contained in this Form 10-Q will in fact occur.

### **Item 3. Quantitative & Qualitative Disclosures about Market Risks**

Not applicable.

#### **Item 4. Controls and Procedures**

Our Chief Executive Officer and Chief Financial Officer (the “Certifying Officers”) are responsible for establishing and maintaining disclosure controls and procedures for the Company. The Certifying Officers have designed such disclosure controls and procedures to ensure that material information is made known to them, particularly during the period in which this Report was prepared.

##### Evaluation of Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive and financial officer, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and management necessarily was required to apply its judgment in evaluating the cost- benefit relationship of possible controls and procedures.

As of December 31, 2013, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our Chief Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective.

##### Changes in Internal Controls

There have been no changes in the Company's internal controls over financial reporting that occurred during the Company's last fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting, except that the Company increased its internal controls around the issuance and recording of common stock sales.

##### Limitations on the Effectiveness of Controls

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. The Company's disclosure controls and procedures are designed to provide reasonable assurance of achieving its objectives. The Company's chief executive officer and principal financial officer concluded that the Company's disclosure controls and procedures are effective at that reasonable assurance level.

**Part II Other Information**

**Item 1. Legal Proceedings**

The Company is not currently a party to any threatened or pending legal proceedings, other than incidental litigation arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

**Item 1A Risk Factors**

Not required

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

**Item 3. Defaults upon Senior Securities:**

None

**Item 5. Other Information:**

None

**Item 6. Exhibits**

- 31.1 (2) 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 (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(2) 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 (2) Certification of Vice President of Finance and Principal Financial Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.



**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CEMTREX, INC.  
(Registrant)

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Dated: February 14, 2014

By /s/ Saagar Govil  
Saagar Govil, Chief Executive Officer and President (Principal Executive Officer)

Dated: February 14, 2014

By /s/ Renato Dela Rama  
Renato Dela Rama, Vice President of Finance (Principal Financial Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

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., for the fiscal quarter ended December 31, 2013;
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 reasonable 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 controls over financial reporting.

Date: February 14, 2014

/s/ Saagar Govil

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Saagar Govil

Chief Executive Officer, Principle Executive Officer

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CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

Pursuant to Section 302 Of the Sarbanes-Oxley Act of 2002, I, Renato Dela Rama certify that:

1. I have reviewed this report on Form 10-Q of Centrex, Inc., for the fiscal quarter ended December 31, 2013;
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 reasonable 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 controls over financial reporting.

Date: February 14, 2014

/s/ Renato Dela Rama  
Renato Dela Rama  
Principal Financial Officer

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Centrex, Inc. (the "Company") on Form 10-Q for the quarter ended December 31, 2013, 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

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Saagar Govil  
Chief Executive Officer  
and Principal Executive Officer  
February 14, 2014

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Cemtrex, Inc. (the "Company") on Form 10-Q for the quarter ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Renato Dela Rama, principal financial officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Renato Dela Rama

Renato Dela Rama  
Principal Financial Officer  
February 14, 2014

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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