SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended MARCH 31, 1996 Commission file number 0-7099

CECO ENVIRONMENTAL CORP.

NEW YORK	13-2566064
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

111 ELIZABETH STREET, SUITE 600, TORONTO, ONTARIO, CANADA	M5G 1P7
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 416-593-6543

Former name, former address and former fiscal year, if changed since last report.

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 and (2) has been subject to such filing requirements for the past 90 days.

X Yes ____ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the close of the period covered by this report.

Class: COMMON, PAR VALUE $.01 PER SHARE

OUTSTANDING at March 31, 1996 7,040,108

CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
MARCH 31, 1996

INDEX

CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET
(unaudited)

	MARCH 31, 1996	DECEMBER 31, 1995
ASSETS		
Current assets:		
Cash and cash equivalents	$ 634,221	$1,043,011
Accounts receivable	1,612,331	1,856,541
Advances to officer	20,000	-
Inventories	571,358	654,826
Prepaid expenses and other current assets	74,065	56,736
Deferred income taxes	20,889	20,889
Total current assets	2,932,864	3,632,003
Marketable securities, available for sale	348,366	-
Property and equipment, net	1,963,910	2,019,631
Intangible assets, at cost, net	91,797	45,717
Goodwill	2,886,218	2,872,825
Deferred charges	50,000	75,000
Total assets	$8,273,155	$8,645,176
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term obligations	$ 850,000	$ 850,000
Current portion of long-term debt	88,860	173,393
Current portion of capital lease obligation	4,838	4,838
Accounts payable and accrued expenses	825,545	1,166,006
Income taxes payable	7,855	10,745
Total current liabilities	1,777,098	2,204,982
Long-term debt, less current portion	1,196,136	1,238,795
Capital lease obligation, less current portion	13,216	14,955
Deferred income taxes	19,888	19,888
Total liabilities	3,006,338	3,478,620
Minority interest	830,533	824,905
Shareholders' equity:		
Preferred stock, $.01 par value; 10,000,000 shares authorized, none issued	-	-
Common stock, $.01 par value; 100,000,000 shares authorized, 7,040,148 and 6,956,348 shares issued, respectively	70,401	69,563
Capital in excess of par value	7,850,907	7,767,945
Accumulated deficit	(3,086,355)	(3,097,188)
	4,834,953	4,740,320
Less treasury stock, at cost	(398,669)	(398,669)
Net shareholders' equity	4,436,284	4,341,651
Total liabilities and shareholders' equity	$8,273,155	$8,645,176

See accompanying notes to condensed consolidated financial statements.

CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(unaudited)

	THREE MONTHS ENDED MARCH 31, 1996	THREE MONTHS ENDED MARCH 31, 1995
Net sales	$2,150,657	$1,879,415
Costs and expenses:		
Cost of sales	1,140,322	1,133,422
Selling and administrative	803,072	710,289
Depreciation and amortization	137,344	106,406
	2,080,738	1,950,117
Income (loss) from operations	69,919	(70,702)
Interest expense	(43,459)	(34,394)
Income (loss) before provision (credit) for income taxes	26,460	(105,096)
Provision (credit) for income taxes	10,000	(53,000)
Income (loss) before minority interest	16,460	(52,096)
Minority interest	(5,628)	26,293
Net income (loss)	$ 10,832	($ 25,803)
Net income (loss) per share, primary and fully diluted	$ 0.00	$ (0.00)
Weighted average number of common above outstanding	6,902,228	6,091,228

See accompanying notes to condensed consolidated financial statements.

CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

	THREE MONTHS ENDED MARCH 31, 1996	1995
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities:		
Net income (loss)	$ 10,832	($ 25,803)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	94,050	89,057
Goodwill amortization	18,294	17,349
Amortization of deferred charges	25,000	-
Contribution of officer's services	-	8,750
Minority interest	5,628	(26,293)
(Increase) decrease in operating assets:		
Accounts receivable	244,210	100,682
Inventories	83,468	(132,534)
Prepaid expenses and other current assets	(17,329)	(54,389)
Refundable income taxes	-	(65,010)
(Decrease) in operating liabilities:		
Accounts payable and accrued expenses	(340,461)	(201,509)
Income taxes payable	(2,890)	(89,368)
Net cash provided by (used in) operating activities	120,802	(379,068)
Cash flows from investing activities:		
Investment in marketable securities	(348,366)	-
Additions to property and equipment and intangible assets	(32,296)	(73,696)
Advance to officer	(20,000)	-
Net cash (used in) investing activities	(400,662)	(73,696)
Cash flows from financing activities:		
Proceeds from short-term obligations	-	450,000
Net (repayments) of long-term debt and capital leases	(128,930)	(42,390)
Net (repayments) of officer's loan	-	(150,000)
Net cash provided by (used in) financing activities	(128,930)	257,610
Net (decrease) in cash	(408,790)	(195,154)
Cash and cash equivalents at beginning of period	1,043,011	329,885
Cash and cash equivalents at end of period	$ 634,221	$134,731

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	1996	1995
Cash paid during the quarter for:		
Interest	$ 43,459	$ 34,394
Income taxes	$ 12,310	$ 108,595

See accompanying notes to condensed consolidated financial statements.

CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to present fairly the financial position as of March 31, 1996 and the results of operations and cash flows for the three-month periods ended March 31, 1996 and 1995. The results of operations for the three-month period ended March 31, 1996 are not necessarily indicative of the results to be expected for the full year.

2. Inventories consisted of the following:

	March 31, 1996	December 31, 1995
Raw materials	$339,535	$514,489
Work-in-process	132,289	-
Finished goods	99,534	140,337
	$571,358	$654,826

3. Other Assets

Investment in CECO Filters, Inc.

Pursuant to a Stock Exchange Agreement dated May 30, 1992, between the Company and IntroTech Investments, Inc. ("IntroTech"), a privately-held Ontario corporation, the Company exchanged 1,666,666 newly issued shares of its common stock for 1,666,666 shares of CECO Filters, Inc. ("CECO") owned by IntroTech. CECO is a Delaware corporation engaged in the pollution controls industry. It is a manufacturer of industrial air filters, with its corporate headquarters located in Conshohocken, Pennsylvania. The 1,666,666 shares of CECO common stock acquired by the Company are restricted. Those shares represented 24.51% of the outstanding shares of common stock of CECO.

During 1993 through 1995, the Company exchanged 2,582,764 additional shares, respectively, of its common stock for 2,582,764 shares of CECO's common stock with unrelated third parties. Also, during 1993, the Company acquired, for cash, an additional 21,100 shares of CECO's common stock from unrelated third parties. During the three months ended March 31, 1996, the Company exchanged 83,800 shares of its common stock for 83,800 shares of CECO's common stock with unrelated third parties. As of March 31, 1996, the Company owed 64% of CECO's common stock.

Summarized financial information of CECO as of and for its three months ended March 31, 1996, is as follows:

Financial position:	
Working capital	$ 633,135
Total assets	$4,698,351
Net shareholders' equity	$1,715,563
Results of operations:	
Net sales	$2,150,657
Income before income taxes	$ 25,246
Net income	$ 15,246

CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(unaudited)

4. Other Matters

The Company entered into an eighteen-month consulting agreement with an unrelated third party, effective April 1, 1995, to provide financial consulting services to the Company which will, among other things, help the Company to broaden its stock market appeal. As compensation, the consultant received an option to purchase 1,000,000 shares of the Company's common stock at $2.50 per share, such option expiring April 30, 1996. The option price was reduced to $2.25 per share for such options exercised on or prior to December 31, 1995. (During the year ended December 31, 1995, the consultant exercised options to acquire 400,000 shares of the Company's common stock at an exercise price of $2.25 per share). In addition, the Company issued 100,000 shares of its common stock to the consultant.

CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(unaudited)

Financial Condition, Liquidity and Capital Resources - The Company

The Company's consolidated cash position decreased from $1,043,011 at December 31, 1995 to $634,211 at March 31, 1996. This decrease of $408,790 is attributable principally to the use of cash in investing activities of $400,662 during the three months ended March 31, 1996 as compared to the same period in 1995 when the Company used cash of $73,696 from its investing activities. The investments in marketable securities in 1996 are primarily in high yield bonds of major U.S. corporations. CECO Filters, Inc. ("CECO") maintains a $1,250,000 line of credit with a commercial bank of which $850,000 was outstanding as of March 31, 1996.

The Company's current ratio was 1.65 both on December 31, 1995 and March 31, 1996.

Management believes that CECO's expected revenues from operations, supplemented by the available line of credit, will be sufficient to provide adequate cash to fund anticipated working capital and other cash needs during the remainder of the year.

The Company and CECO have entered into a five year management and consulting agreement, dated January 1, 1994, which became effective on July 1, 1994, pursuant to which the Company provides management and financial consulting services to CECO for a monthly fee of $20,000 until the agreement expires in December, 1998. The Company believes its consulting agreement with CECO should provide sufficient revenue to meet its general and administrative, and interest expenses.

Results of Operations - The Company

The Company's consolidated statement of operations for the three-month periods ended March 31, 1996 and 1995 reflects the operations of the Company consolidated with the operations of CECO. As a result of multiple stock acquisitions, the Company, effective April 7, 1993, owned a greater than 50% interest in CECO. Transactions not related to the operations of CECO were minimal, and included consulting, legal and accounting fees, as well as interest and stock issuance related expenses. As of March 31, 1996, the Company owned approximately 64% of the outstanding stock of CECO. Minority interest in the consolidated statement of operations has been presented as a reduction in net income or loss.

Results of Operations - CECO (Company's Subsidiary)

Comparison of Three Months Ended March 31, 1996 to Three Months Ended March 31, 1995

Sales were approximately $2.1 million and $1.9 million for the three months ended March 31, 1996 and 1995, respectively, an increase of 14%. The increase in sales form 1995 to 1996 resulted primarily from more sales orders and higher backlog at the end of 1995.

CECO's backlog of orders at March 31, 1996 was approximately $3.5 million as compared to $1.5 million at March 31, 1995. There can be no assurance that order backlog will be replicated, or increase, from quarter to quarter, or that it will translate into higher revenues in the future. The success of CECO's operating results can be significantly impacted by the introduction of new products and/or new manufacturing technologies by competitors, rapid change in the demand for its product, decrease in the average selling price over the life of a product as competition increases, and CECO's implementation of a target marketing approach in early 1995.

CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(unaudited)

CECO's overall cost of sales decreased as a percentage of sales from 60% for the three months ended March 31, 1995 to 53% for the three months ended March 31, 1996. The decrease can be attributed to decreases in raw material costs as well as reduced costs incurred to service CECO's products. Engineering and sales management positions were increased while certain factory positions were eliminated. These changes were made as a part of CECO's overall restructuring to strengthen management and accommodate anticipated growth. Direct labor was augmented with temporary labor on an as- needed basis.

CECO's selling and administrative expenses amounted to $787,550 for the three-month period ended March 31, 1996 compared to $680,273 for the three-month period ended March 31, 1995, representing an increase of $107,307, or 15%. A substantial portion of the selling and administrative expenses are fixed in nature. As discussed above, certain management positions were added compared to the three-month period ended March 31, 1995.

CECO entered into a management and consulting agreement with CECO Environmental Corp. ("CECO") during 1994. The terms of the agreement require payment of monthly fees of $20,000 through December 1998 in exchange for management and financial consulting services involving corporate policies; marketing; strategic and financial planning; and mergers, acquisitions and related matters. CECO incurred management fees to CEC of $60,000 during the three-month periods ended March 31, 1996 and 1995.

Interest expense increased during the three-month period ended March 31, 1996 when compared to the same period in 1995. The increase in interest expense can be attributed to higher interest rates.

CECO generated pre-tax income of $25,246 for the three-month period ended March 31, 1996 as compared to a pre-tax loss of $117,731 for the three-month period ended March 31, 1995. This change is attributed primarily to the increase in sales for the three-month period ended March 31, 1996 over the comparable period in 1995.

The provision for federal and state income taxes for the three-month period ended March 31, 1996 amounted to $10,000 compared to a credit for federal and state income taxes of $53,000 for the three-month period ended March 31, 1995.

CECO ENVIRONMENTAL CORP. AND SUBSIDIARIES

SIGNATURE

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 thereunto duly authorized.

CECO ENVIRONMENTAL CORP.

PHILLIP DEZWIREK

Phillip DeZwirek
Chief Financial Officer
Chief Executive Officer

Date: April 29, 1996

5
1

3-MOS
DEC-31-1995
MAR-31-1996
$634,221
$348,366
$1,612,331
0
$571,358
$2,932,864
$3,306,476
$1,342,566
$8,273,155
$1,777,098
$1,284,996
$70,401
0
0
$4,365,883
$8,273,155
$2,150,657
$2,150,657
$1,140,322
$2,080,738
$43,459
0
$43,459
$26,460
$10,000
$16,460
0
0
0
$10,832
.00
.00