UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December 31, 2018

OR

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

For the transition period from ___________to ____________

Commission File Number 001-37464

CEMTREX, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	30-0399914 (I.R.S. Employer Identification No.)
30-30 47th Avenue, Long Island City, NY (Address of principal executive offices)	11101 (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.

[X] 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).

[X] Yes [ ] No

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

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company **[X]**

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 [X] No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

As of February 11, 2019, the issuer had 14,149,698 shares of common stock issued and outstanding.

CEMTREX, INC. AND SUBSIDIARIES

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Part I. Financial Information

Item 1. Financial Statements

Cemtrex, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

	December 31, 2018	September 30, 2018
Assets		
Current assets		
Cash and equivalents	$ 818,548	$ 973,772
Restricted Cash	1,360,487	1,342,163
Accounts receivable, net	11,580,282	13,945,655
Trade receivables - related party	-	165,220
Inventory, net	13,362,007	11,354,458
Prepaid expenses and other current assets	3,775,941	4,132,996
Total current assets	30,897,265	31,914,264
Property and equipment, net	26,342,873	27,300,654
Goodwill	3,322,819	3,322,818
Investment in Vicon	1,356,495	1,699,271
Other assets	3,165,528	3,093,607
Total Assets	**$ 65,084,980**	**$ 67,330,614**
Liabilities & Stockholders' Equity		
Current liabilities		
Accounts payable	$ 9,074,976	$ 7,068,005
Accounts payable to related party	2,000	-
Short-term liabilities	5,969,187	10,913,703
Deposits from customers	328,196	50,619
Accrued expenses	5,896,286	2,333,938
Deferred revenue	976,632	970,590
Accrued income taxes	424,895	565,513
Total current liabilities	22,672,172	21,902,368
Long-term liabilities		
Loans payable to bank, net of current portion	3,905,427	4,206,468
Long-term capital lease, net of current portion	38,486	44,081
Notes payable, net of current portion	309,455	276,639
Mortgage payable, net of current portion	3,461,323	3,568,545
Deferred tax liabilities	2,051,499	2,051,847
Total long-term liabilities	9,766,190	10,147,580
Total liabilities	32,438,362	32,049,948
Commitments and contingencies	-	-
Shareholders' equity		
Preferred stock , $0.001 par value, 10,000,000 shares authorized, Series 1, 3,000,000 shares authorized, 2,009,946 shares issued and outstanding as of December 31, 2018 and 1,914,168 shares issued and outstanding as of September 30, 2018 (liquidation value of $10 per share)	2,010	1,914
Series A, 1,000,000 shares authorized, issued and outstanding at December 31, 2018 and September 30, 2018	1,000	1,000
Common stock, $0.001 par value, 20,000,000 shares authorized, 13,385,108 shares issued and outstanding at December 31, 2018 and 12,973,730 shares issued and outstanding at September 30, 2018	13,385	12,973
Additional paid-in capital	32,842,394	31,485,320
Retained earnings	1,128,678	4,262,756
Accumulated other comprehensive income/(loss)	(1,340,849)	(483,297)
Total shareholders' equity	32,646,618	35,280,666
Total liabilities and shareholders' equity	**$ 65,084,980**	**$ 67,330,614**

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

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

	For the three months ended December 31,	
	2018	**2017**
Revenues		
Advanced Technologies Revenue	$ 467,835	$ -
Electronics Manufacturing Revenue	11,026,253	20,443,101
Industrial Technology Revenue	5,790,456	11,938,799
Total revenues	17,284,544	32,381,900
Cost of revenues		
Cost of Sales, Advanced Technologies	192,365	-
Cost of Sales, Electronics Manufacturing	6,512,329	13,187,955
Cost of Sales, Industrial Technology	3,584,728	8,669,453
Total cost of revenues	10,289,422	21,857,408
Gross profit	6,995,122	10,524,492
Operating expenses		
General and administrative	8,240,174	9,507,584
Research and development	379,517	149,217
Total operating expenses	8,619,691	9,656,801
Operating income/(loss)	(1,624,569)	867,691
Other income (expense)		
Other Income (expense)	47,643	291,767
Interest Expense	(189,747)	(368,461)
Total other income (expense)	(142,104)	(76,694)
Net income (loss) before income taxes and equity interest	(1,766,673)	790,997
Income tax (expense)/benefit	(66,849)	(59,006)
Earnings/(loss) in equity interests	(342,776)	-
Net income (loss)	(2,176,298)	731,991
Preferred dividends paid	957,780	-
Net income/(loss) available to common shareholders	$ (3,134,078)	$ 731,991
Other comprehensive income/(loss)		
Foreign currency translation gain/(loss)	(857,552)	631,045
Comprehensive income/(loss) available to common shareholders	$ (3,991,630)	$ 1,363,036
Income/(loss) Per Common Share-Basic	$ (0.24)	$ 0.07
Income/(loss) Per Common Share-Diluted	$ (0.24)	$ 0.07
Weighted Average Number of Common Shares-Basic	13,110,211	10,486,770
Weighted Average Number of Common Shares-Diluted	13,110,211	10,644,723

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

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

	For the three months ended December 31, 2018	2017
Cash Flows from Operating Activities		
Consolidated net income/(loss)	$ (2,176,298)	$ 731,991
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:		
Depreciation and amortization	1,077,262	841,855
Deferred revenue	6,042	20,983
Change in allowance for inventory obsolescence	-	623,775
Share-based compensation	36,108	-
Interest expense on convertible debt	-	109,144
Loss on equity interests	342,776	-
Changes in operating assets and liabilities net of effects from acquisition of subsidiaries:		
Accounts receivable	2,365,373	(2,379,205)
Trade receivables - related party	165,220	-
Inventory	(2,007,549)	3,798,092
Prepaid expenses and other assets	357,055	(782,447)
Other assets	(71,921)	(89,268)
Accounts payable	2,006,971	800,010
Accounts payable to related party	2,000	-
Deposits from customers	277,577	-
Accrued expenses	3,562,348	(569,336)
Income taxes payable	(140,618)	(57,286)
Net cash provided by operating activities	**5,802,346**	**3,048,308**
Cash Flows from Investing Activities		
Purchase of property and equipment	(548,361)	(2,344,266)
Net cash used by investing activities	**(548,361)**	**(2,344,266)**
Cash Flows from Financing Activities		
Proceeds from notes payable	-	2,300,000
Payments on notes payable	(143,882)	(144,977)
Payments on secured loan	(2,154,561)	-
Payments on bank loans	(779,173)	(360,543)
Proceeds from at-the-market offering	150,721	-
Expenses on at-the-market offering	(12,027)	-
Revolving line of credit	(2,446,368)	(473,936)
Payments on caplital lease obligations	(5,595)	-
Net cash provided/(used) by financing activities	**(5,390,885)**	**1,320,544**
Net increase (decrease) in cash	(136,900)	2,024,586
Cash beginning of period	2,315,935	11,974,752
Cash end of period	**$ 2,179,035**	**$ 13,999,338**
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for interest	$ 166,547	$ 259,317
Cash paid during the period for income taxes	$ 140,618	$ 57,286
Supplemental Schedule of Non-Cash Investing and Financing Activities		
Payment of convertible notes in common stock	$ -	$ 220,000
Payment of interest on convertible notes in common stock	$ -	$ 109,144
Payment of short-term notes payable in common stock	$ 225,000	$ -
Dividends paid in equity shares	$ 957,780	$ -

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

NOTE 1 – ORGANIZATION AND PLAN OF OPERATIONS

Cemtrex 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", "Cemtrex" or "management" refer to Cemtrex, Inc. and its subsidiaries.

Advanced Technologies (AT)

Cemtrex'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 Cemtrex VR division, the Company is developing a wide variety of applications for virtual and augmented reality markets.

Cemtrex 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 Cemtrex 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. Cemtrex 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)

Cemtrex'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.

Cemtrex 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 segment also sells a complete line of air filtration and environmental control products to a wide variety of customers in industries such as: chemical, cement, steel, food, construction, mining, & petrochemical worldwide.

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

In December 2017, Company set up a subsidiary named Cemtrex Technologies Pvt. Ltd., by acquiring certain fixed assets consisting of computers, hardware and proprietary software from a private third party located in Pune, India, to carry out software and prototype development work related to new Virtual & Augmented Reality applications and Smart Technology products to be produced by Cemtrex Advanced Technologies Inc., located in New York.

In January 2018, the Company completed the consolidation of its Paderborn EM factory into the EM factory at Neulingen, Germany to create economies of scale. However, the ROB Logistics and ROB Assets subsidiaries remained at the Paderborn location.

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 hence the Company will continue to reduce its presence in the environmental instruments and control products markets in the coming year.

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. The Company had elected to account for Vicon using the equity method.

On August 8, 2018, the Company entered into a Research and Development Services Agreement (the "Agreement") with Vicon to provide Vicon with outsourced software development services. Vicon is transitioning its principal Israeli based software development activities to the Company's India based services group, which has now assumed principal software coding and test responsibilities for Vicon. The outsourcing of these activities is expected to materially reduce the Vicon's software development costs and provide development efficiencies, which should help expedite its software roadmap. The terms of the Agreement, among other things, set forth the scope of services, consideration, developed technology ownership, non-disclosure and safeguard of Vicon's software code. Pursuant to an informal agreement, $ 190,811 of fees were billed to Vicon during the three months ended December 31, 2018 in connection with the transition of software development activities.

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 Cemtrex Inc. (“Cemtrex” or the “Company”). A summary of the Company’s significant accounting policies is identified in Note 2 of the notes to the consolidated financial statements included in the Company’s 2018 Annual Report.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the Unites 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 Cemtrex Inc., Cemtrex Advanced Technologies Inc., Cemtrex Ltd., Cemtrex Technologies Pvt. Ltd., ROB Cemtrex GmbH, ROB Systems Srl, ROB Cemtrex Assets UG, ROB Cemtrex Logistics GmbH, and Advanced Industrial Services, Inc. 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 December 31, 2018 or for the three 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 months ended December 31, 2018 and 2017, because the effect of their inclusion would be anti-dilutive.

	For the three months ended December 31, (unaudited)	
	2018	2017
Options	632,889	609,518
Warrants	3,471,717	3,471,717
	4,104,606	4,081,235

NOTE 4 – EQUITY METHOD INVESTMENT

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. (See NOTE 1).

Below is the summarized statement of income for Vicon;

	For the three months ended December 31, 2018
Revenues	$ 6,379,274
Net loss	$ (745,165)

NOTE 5 – 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 December 31, 2018	2017
Revenues from external customers		
Advanced Technologies	$ 467,835	$ -
Electronics Manufacturing	11,026,253	20,443,101
Industrial Technology	5,790,456	11,938,799
Total revenues	$ 17,284,544	$ 32,381,900
Gross profit		
Advanced Technologies	$ 275,470	$ -
Electronics Manufacturing	4,513,924	7,255,146
Industrial Technology	2,205,728	3,269,346
Total gross profit	$ 6,995,122	$ 10,524,492
Operating (loss) income		
Advanced Technologies	$ (1,230,308)	$ -
Electronics Manufacturing	(187,174)	487,094
Industrial Technology	(207,087)	380,597
Total operating (loss) income	$ (1,624,569)	$ 867,691
Other income (expense)		
Advanced Technologies	$ (160)	$ -
Electronics Manufacturing	(16,278)	(141,202)
Industrial Technology	(125,666)	64,508
Total other income (expense)	$ (142,104)	$ (76,694)
Depreciation and Amortization		
Advanced Technologies	$ 520,542	$ -
Electronics Manufacturing	280,961	436,000
Industrial Technology	275,759	405,855
Total depreciation and amortization	$ 1,077,262	$ 841,855

NOTE 6 – 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 December 31, 2018 and 2017.

NOTE 7 – 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 $1,360,487 as of December 31, 2018. 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 $104,987 as of December 31, 2018 and September 30, 2018.

NOTE 8 – ACCOUNTS RECEIVABLE, NET

Trade receivables, net consist of the following:

	December 31, 2018	September 30, 2018
Accounts receivable	$ 11,878,990	$ 14,244,363
Allowance for doubtful accounts	(298,708)	(298,708)
	$ 11,580,282	$ 13,945,655

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 9 – INVENTORY, NET

Inventory, net, consist of the following:

	December 31, 2018	September 30, 2018
Raw materials	$ 9,526,708	$ 8,654,497
Work in progress	1,959,264	1,412,828
Finished goods	2,886,983	2,298,081
	14,372,955	12,365,406
Less: Allowance for inventory obsolescence	(1,010,948)	(1,010,948)
Inventory –net of allowance for inventory obsolescence	$ 13,362,007	$ 11,354,458

NOTE 10 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	December 31, 2018	September 30, 2018
Land	$ 1,241,720	$ 1,063,715
Building	5,047,245	5,321,926
Furniture and office equipment	2,710,175	2,685,315
Computers and software	6,941,286	6,762,046
Trade show display	89,330	-
Machinery and equipment	21,776,771	22,102,390
	37,806,527	37,935,392
Less: Accumulated depreciation	(11,463,654)	(10,634,738)
Property and equipment, net	$ 26,342,873	$ 27,300,654

Depreciation expense for the three months ended December 31, 2018 and 2017 were $1,077,262 and $841,855, respectively.

NOTE 11 – PREPAID AND OTHER CURRENT ASSETS

On December 31, 2018, the Company had prepaid and other current assets consisting of prepayments on inventory purchases of $1,392,954, other current assets of $391,633 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 12 – OTHER ASSETS

As of December 31, 2018, the Company had other assets of $3,165,528 which was comprised of rent security of $144,125, deferred tax assets of $2,967,529, and other assets of $53,874. 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 13 – SHORT-TERM LIABILITIES

The Company's subsidiaries have revolving lines of credit with various banks in order to fund operations. As of December 31, 2018, and September 30, 2018, the balances of these accounts were $342,825 and $2,639,542, respectively.

On February 12, 2018 the Company's subsidiary ROB Cemtrex 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 (1.133% as of December 31, 2018) and is payable on January 1, 2020. ROB Cemtrex GmbH has pledged its receivables to secure this loan. As of December 31, 2018, the loan had a balance of $1,336,690, based on the exchange rate at the time.

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 three months ended December 31, 2018, 210,736 shares of the Company's common stock have been issued to satisfy $225,000 of this note. As of December 31, 2018, $1,250,000 of this note remains outstanding with $275,000 classified as long-term.

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.

As of December 31, 2018, and September 30, 2018 there were $1,589,672 and $1,807,910 in current portion of long-term liabilities, respectively.

NOTE 14 – CONVERTIBLE NOTES PAYABLE

As of December 31, 2018, the Company has satisfied all outstanding convertible notes payable, to various unrelated third parties.

NOTE 15 – RELATED PARTY TRANSACTIONS

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 Aron Govil, Executive Director of the Company, at a monthly rental of $10,000. For the three months ended December 31, 2018 and 2017 rent expense under this lease was $30,000. As of December 31, 2018 the Company has completed its move to Long Island City and will no longer lease this office space.

On August 8, 2018, the Company entered into a Research and Development Services Agreement (the "Agreement") with Vicon to provide Vicon with outsourced software development services. Vicon is transitioning its principal Israeli based software development activities to the Company's India based services group, which has now assumed principal software coding and test responsibilities for Vicon. The outsourcing of these activities is expected to materially reduce the Vicon's software development costs and provide development efficiencies, which should help expedite its software roadmap. The terms of the Agreement, among other things, set forth the scope of services, consideration, developed technology ownership, non-disclosure and safeguard of Vicon's software code. Pursuant to an informal agreement, $190,811 of fees were billed to Vicon during the three months ended December 31, 2018 in connection with the transition of software development activities. As of December31, 2018, there were no open receivables due from Vicon.

NOTE 16 – 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 3,009,946 and 2,914,168 shares issued and outstanding, respectively.

Series A Preferred stock

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

During the three-month periods ended December 31, 2018 and 2017, the Company did not issue any Series A Preferred Stock.

As of December 31, 2018, and September 30, 2018, there were 1,000,000 shares of Series A Preferred Stock issued and outstanding.

Series 1 Preferred Stock

Dividends

Holders of the Series 1 Preferred will be entitled to receive cumulative cash dividends at the rate of 10% of the purchase price per year, payable semiannually on the last day of March and September in each year. Dividends may also be paid, at our option, in additional shares of Series 1 Preferred, valued at their liquidation preference. The Series 1 Preferred will rank senior to the common stock with respect to dividends. Dividends will be entitled to be paid prior to any dividend to the holders of our common stock.

Liquidation Preference

The Series 1 Preferred will have a liquidation preference of $10.00 per share, equal to its purchase price. In the event of any liquidation, dissolution or winding up of our company, any amounts remaining available for distribution to stockholders after payment of all liabilities of our company will be distributed first to the holders of Series 1 Preferred, and then *pari passu* to the holders of the series A preferred stock and our common stock. The holders of Series 1 Preferred will have preference over the holders of our common stock on any liquidation, dissolution or winding up of our company. The holders of Series 1 Preferred will also have preference over the holders of our series A preferred stock.

Voting Rights

Except as otherwise provided in the certificate of designation, preferences and rights or as required by law, the Series 1 Preferred will vote together with the shares of our common stock (and not as a separate class) at any annual or special meeting of stockholders. Except as required by law, each holder of shares of Series 1 Preferred will be entitled to two votes for each share of Series 1 Preferred held on the record date as though each share of Series 1 Preferred were 2 shares of our common stock. Holders of the Series 1 Preferred will vote as a class on any amendment altering or changing the powers, preferences or special rights of the Series 1 Preferred so as to affect them adversely.

No Conversion

The Series 1 Preferred will not be convertible into or exchangeable for shares of our common stock or any other security.

Rank

The Series 1 Preferred will rank with respect to distribution rights upon our liquidation, winding-up or dissolution and dividend rights, as applicable:

- senior to our series A preferred stock, common stock and any other class of capital stock we issue in the future unless the terms of that stock provide that it ranks senior to any or all of the Series 1 Preferred;
- on a parity with any class of capital stock we issue in the future the terms of which provide that it will rank on a parity with any or all of the Series 1 Preferred;
- junior to each class of capital stock issued in the future the terms of which expressly provide that such capital stock will rank senior to the Series 1 Preferred and the common stock; and
- junior to all of our existing and future indebtedness.

As of December 31, 2018, and September 30, 2018, there were 2,009,946 and 1,914,168 shares of Series 1 Preferred Stock issued and outstanding, respectively.

For the three months ended December 31, 2018, 95,778 shares of Series 1 Preferred Stock were issued to pay $957,780 worth of dividends to holders of Series 1 Preferred Stock.

Listing on NASDAQ Capital Markets

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

Common Stock

The Company is authorized to issue 20,000,000 shares of common stock, $0.001 par value. As of December 31, 2018, there were 13,385,108 shares issued and outstanding and at September 30, 2018, there were 12,973,730 shares issued and outstanding.

During the three months ended December 31, 2018, 210,736 shares of the Company's common stock have been issued to satisfy $225,000 of a short-term note payable and 201,002 shares were issued in an Subscription Rights Offering.

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 December 31, 2018, 201,002 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.

NOTE 17 – SHARE-BASED COMPENSATION

For the three months ended December 31, 2018 and 2017, the Company recognized $36,108 and zero of share-based compensation expense on its outstanding options, respectively. As of December 31, 2018, $148,592 of unrecognized share-based compensation expense is expected to be recognized over a period of three years. Future compensation amounts will be adjusted for any change in estimated forfeitures.

NOTE 18 – COMMITMENTS AND CONTINGENCIES

The Company has moved its corporate activities to Long Island City with a lease of 12,000 square feet at a rate of $30,000 per month that expires May 31, 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, 2019, (ii) approximately 86,000 square feet of office, warehouse and manufacturing space in Paderborn, Germany at monthly rental of $51,480 (€44,000) which expires on September 30, 2018, this lease was not renewed.

The Company's AT segment leases 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.

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.

In January and February of 2019, the Company issued 461,693 shares of common stock to satisfy $275,000 worth of notes payable.

In January 2019, the Company entered into an At-the-Market (ATM) Offering Agreement (the "Sales Agreement") with Advisory Group Equity Services, Ltd. doing business as RHK Capital (the "Manager") relating to shares of our common stock, par value $0.001 per share. Under the Sales Agreement, we may offer and sell shares of our common stock having an aggregate offering price of up to $2,000,000 from time to time through the Manager, as our sales agent. Under the terms of the Sales Agreement, we may also sell shares to the Manager as principal for its own account. During January of 2019, 500,000 shares of common stock were issued and placed in escrow for this agreement and are included in the issued and outstanding count on the cover of this report. As of February 13, 2019, the company issued 88,150 of those shares in escrow and has received gross proceeds of $75,496. After deducting offering expenses of $2,265 the Company received $73,231 in net proceeds.

On January 14, 2018 two members of the Board of Directors of Vicon Industries, Inc. had resigned. With these resignations the only two remaining members of Vicon's Board were Saagar Govil and Aron Govil. Starting on this date the Company will use the consolidation method with regard to the financial results of Vicon.

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

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

General Overview

Cemtrex 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. Cemtrex 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", "Cemtrex" or "management" refer to Cemtrex, Inc. and its subsidiaries.

Advanced Technologies (AT)

Cemtrex'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 Cemtrex VR division, the Company is developing a wide variety of applications for virtual and augmented reality markets.

Electronics Manufacturing (EM)

Cemtrex'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)

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 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 December 31, 2018 and 2017

Total revenue for the three months ended December 31, 2018 and 2017 was $17,284,544 and $32,381,900, respectively, a decrease of $15,097,356, or 47%. Net income for the three months ended December 31, 2018 and 2017 was a loss of $2,176,298 and income of $731,991, respectively, a decrease of $2,908,289, or 397%. Total revenue in the first quarter decreased, as compared to total revenue in the same period last year, due to the loss of two customers in the Electronics Manufacturing segment going into 2018, one as result of consolidation and other due to obsolescence of their product and lower sales in the Industrial Technology segment due to the softening demand for environmental products. Net income available to common shareholders decreased due to lower revenues from the loss of two customers in the Electronics Manufacturing segment going into 2018, one as result of consolidation and other due to obsolescence of their product and lower revenues in the Industrial Technology segment in response the decline in demand for environmental products and increased one-time expenses in research and development required to finish development of the SmartDesk and increased sales & marketing expenses related to the business development of SmartDesk and VR applications in the Advanced Technologies segment as well as the acquisition of the equity method investment, Vicon Industries, Inc.

Revenues

Our Advanced Technologies segment revenues for the three months ended December 31, 2018 was $467,835. 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 December 31, 2018 decreased by $9,416,848 or 46% to $11,026,253 from $20,443,101 for the three months ended December 31, 2017. The primary reason for decreased sales was due to due to the loss of two customers in the EM segment going into 2018, one as result of consolidation and other due to obsolescence of their product.

Our Industrial Technology segment revenues for the three months ended December 31, 2018 decreased by $6,148,343 or 51%, to $5,790,456 from $11,938,799 for the three months ended December 31, 2017. 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 December 31, 2018 was $6,995,122 or 40% of revenues as compared to gross profit of $10,524,492 or 33% of revenues for the three months ended December 31, 2017. Gross profit as a percentage of revenues in the three months ended December 31, 2018 increased as compared to the three months ended December 31, 2017 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 December 31, 2018 decreased $1,267,410 or 13% to $8,240,174 from $9,507,584 for the three months ended December 31, 2017. General and administrative expenses as a percentage of revenue was 48% and 29% of revenues for the three-month periods ended December 31, 2018 and 2017. The dollar for dollar decreases in operating expenses was due to the Company’s work on achieving economies of scale and lower expenses, while the percentage of revenues increase was due to the decrease in the Company’s revenues for the three months ended December 31, 2018 as compared to the same period in the prior year.

Research and Development Expenses

Research and Development expenses for the three months ended December 31, 2018 was $379,517 compared to $149,217 for the three months ended December 31, 2017. Research and Development expenses have developed due to the development of SmartDesk and VR applications by the Company's Advanced Technologies segment through the subsidiaries Cemtrex Advanced Technologies, Inc. and Cemtrex Technologies Pvt, Ltd.

Other Income/(Expense)

Interest and other income/(expense) for the first quarter of fiscal 2019 was $(142,104) as compared to $(76,694) for the first quarter of fiscal 2018. Other income/(Expense) for the three months ended December 31, 2018 was primarily due to interest expense related to the Company's interest bearing payables.

Provision for Income Taxes

During the first quarter of fiscal 2019 we recorded an income tax provision of $66,849 compared to a provision of $59,006 for the first 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.

Equity Interests

During the first quarter of fiscal 2019 the company recorded a loss on its equity interest in Vicon Technologies, Inc. of $342,776.

Net Income/Loss

The Company had net loss of $2,176,298 or 13% of revenues, for the three-month period ended December 31, 2018 as compared to net income of $733,991 or 2% of revenues, for the three months ended December 31, 2017. Net income in the first quarter decreased, as compared to net income in the same period last year, due the higher expenses related to the research & development and marketing in the Advanced Technologies segment along with lower revenues in both the Electronics Manufacturing and Industrial Technologies segments.

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 $8,225,093 at December 31, 2018 compared to $10,011,896 at September 30, 2018. This includes cash and equivalents and restricted cash of $2,179,035 at December 31, 2018 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 decreases in our current assets of $1,016,999 and net decreases in our current liabilities of $769,804.

Accounts receivable decreased $2,365,373 or 17% to $11,580,282 at December 31, 2018 from $13,945,655 at September 30, 2018. The decrease in accounts receivable is largely attributable to decreased sales.

Inventories increased $2,007,549 or 18% to $13,362,007 at December 31, 2018 from $11,354,458 at September 30, 2018. The increase in inventories is attributable to an increase in the inventory purchased for the production of the SmartDesk and the execution of in-house orders, and reductions in purchases of raw materials during the period.

Operating activities provided $5,802,346 of cash for the three months ended December 31, 2018 compared to providing $3,048,308 of cash for the three months ended December 31, 2017. The increase in operating cash flows was primarily due to the execution of in-house orders, and decreases in expenditures, as compared to the same period a year ago.

Investment activities used $548,361 of cash for the three months ended December 31, 2018 compared to using cash of $2,344,266 during the three-month period ended December 31, 2017. Investing activities for the first quarter of 2019 were primarily driven by the Company's investment in fixed assets.

Financing activities used $5,390,885 of cash in the three-month period ended December 31, 2018 as compared to providing cash of $1,320,544 in the three-month period ended December 31, 2017. Financing activities were primarily driven by payments on bank loans, notes payable, and revolving line of credit.

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.

On August 22, 2018, Cemtrex entered into an underwriting agreement with Aegis Capital Corp., as the representative of the several underwriters, relating to the firm commitment underwritten public offering of 1,000,000 shares of the Company's common stock, par value $0.001 per share, at a public offering price of $1.65 per share. The Company received approximately $1.5 million in net proceeds from the offering after deducting the underwriting discount and estimated offering expenses payable by the Company. The Company also granted the Underwriters an option for a period of 45 days to purchase up to an additional 150,000 shares of common stock to cover over-allotments, if any, at the public offering price, less the underwriting discount.

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 wass 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 December 31, 2018, 201,002 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.

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 Vice President of Finance (“VPF”), or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our CEO and our VPF have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2018, based on its evaluation, our management concluded that as of December 31, 2018 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 three months ended December 31, 2018, the Company issued an aggregate of 210,736 shares of common stock in exchange for aggregate consideration of $225,000, 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 Cemtrex Automotive GmbH, and ROB Cemtrex 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)
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)
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 Cemtrex 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 Cemtrex GmbH and Sparkasse Bank, dated October 4, 2013 (updated May 8, 2014).(8)
10.12	Loan Agreement between ROB Cemtrex 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 Cemtrex, Inc. and Saagar Govil (11)
10.14	Nonstatutory Stock Option Agreement entered into as of December 5, 2016 between Cemtrex, Inc. and Saagar Govil (13)
10.15	Exchange Agreement dated as of February 1, 2017 and effective February 9,2017 by and between Cemtrex Inc. and Ducon Technologies, Inc.(12)
10.16	Nonstatutory Stock Option Agreement entered into as of December 18, 2017 between Cemtrex, Inc. and Saagar Govil (16)
10.17	Securities Purchase Agreement, dated March 23, 2018, by and between Cemtrex, Inc. and NIL Funding Corporation. (17)
10.18	Research and Development Services Agreement by and between Vicon Industries, Inc. and Cemtrex, Inc., (20)
14.1	Corporate Code of Business Ethics.(4)
16.1	Letter of Bharat Parikh & Associates, dated February 26, 2018 (18)
16.2	Letter to the Securities and Exchange Commission from Green & Company, CPAs (19)
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 0f 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 0f 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/A filed on September 26, 2016.
(7) Incorporated by reference from Form 8-K/A filed on November 24, 2017.
(8) Incorporated by reference from Form 8-K/A filed on November 9, 2016.
(9) Incorporated by reference from Form 10-Q/A filed on November 10, 2016.
(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 10-K filed on December 28, 2016.
(12) Incorporated by reference from Form 8-K filed on January 24, 2017.
(13) Incorporated by reference from Form 8-K filed on February 10, 2017.
(14) Incorporated by reference from Form 10-Q filed on February 14, 2017.
(15) Incorporated by reference from Form 8-K filed on September 8, 2017.
(16) Incorporated by reference from Form 10-Q filed on February 14, 2018.
(17) Incorporated by reference from Form 8-K filed on March 27, 2018.
(18) Incorporated by reference from Form 8-K filed on February 27, 2018.
(19) Incorporated by reference from Form 8-K filed on September 28, 2018.
(20) Incorporated by reference from Form 10-K filed on January 11, 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.

	Cemtrex, Inc.
Dated: February 19, 2019	By: */s/ Saagar Govil*
	Saagar Govil Chief Executive Officer
Dated: February 19, 2019	*/s/ Renato Dela Rama*
	Renato Dela Rama Vice President of Finance 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%

EXHIBIT 31.1

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 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/ Saagar Govil
Saagar Govil
Chief Executive Officer

Dated: February 19, 2019

EXHIBIT 31.2

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

I, Renato Dela Rama, certify that:

1. I have reviewed this report on Form 10-Q of 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/ Renato Dela Rama

Renato Dela Rama
Vice President of Finance
and Principal Financial Officer

Dated: February 19, 2019

EXHIBIT 32.1

**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, 2018, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Saagar Govil, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Saagar Govil
Saagar Govil
Chief Executive Officer

Dated: February 19, 2019

EXHIBIT 32.2

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, 2018, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Renato Dela Rama, Vice President of Finance and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

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

Dated: February 19, 2019