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

FORM 10-Q

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

For the quarterly period ended June 30, 2022

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.)
276 Greenpoint Ave, Suite 208, Brooklyn, NY (Address of principal executive offices)	11222 (Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock	CETX	Nasdaq Capital Market
Series 1 Preferred Stock	CETXP	Nasdaq Capital Market

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

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files).

☒ Yes ☐ No

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☐

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

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

☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
As of August 12, 2022, the issuer had26,413,296 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) June 30, 2022	September 30, 2021
Assets		
Current assets		
Cash and equivalents	$ 11,442,487	$ 15,426,976
Restricted cash	1,518,720	1,759,347
Short-term investments	280,571	14,981
Trade receivables, net	7,564,382	7,810,896
Trade receivables - related party	1,472,514	1,487,155
Inventory –net of allowance for inventory obsolescence	8,458,530	5,657,287
Prepaid expenses and other assets	2,407,116	2,585,652
Total current assets	33,144,320	34,742,294
Property and equipment, net	6,239,239	6,738,944
Right-of-use assets	2,641,960	2,940,127
Goodwill	7,821,283	7,821,283
Other	1,356,766	697,240
Total Assets	**$ 51,203,568**	**$ 52,939,888**
Liabilities & Stockholders' Equity (Deficit)		
Current liabilities		
Accounts payable	$ 5,401,538	$ 4,235,002
Short-term liabilities	17,146,234	9,977,972
Lease liabilities - short-term	819,488	830,791
Deposits from customers	113,106	536,220
Accrued expenses	1,176,787	1,621,053
Deferred revenue	2,594,517	2,004,170
Accrued income taxes	141,465	448,194
Total current liabilities	27,393,135	19,653,402
Long-term liabilities		
Loans payable to bank	141,239	767,279
Long-term lease liabilities	1,799,002	2,017,408
Notes payable	228,893	2,350,000

Mortgage payable	2,184,404	2,257,785
Other long-term liabilities	825,629	839,171
Paycheck Protection Program Loans	97,120	1,032,200
Deferred Revenue - long-term	584,003	467,967
Total long-term liabilities	5,860,290	9,731,810
Total liabilities	33,253,425	29,385,212
Commitments and contingencies	-	-
Shareholders' equity		
Preferred stock , $0.001 par value, 10,000,000 shares authorized, Series 1, 3,000,000 shares authorized, 2,079,122 shares issued and 2,015,022 shares outstanding as of June 30, 2022 and 1,885,151 shares issued and 1,821,051 shares outstanding as of September 30, 2021 (liquidation value of $10 per share)	2,079	1,885
Series C, 100,000 shares authorized, 50,000 shares issued and outstanding at June 30, 2022 and September 30, 2021	50	50
Common stock, $0.001 par value, 50,000,000 shares authorized, 26,263,296 shares issued and outstanding at June 30, 2022 and 20,782,194 shares issued and outstanding at September 30, 2021	26,263	20,782
Additional paid-in capital	66,522,085	61,727,834
Retained earnings (accumulated deficit)	(51,788,053)	(41,908,062)
Treasury stock at cost	(148,291)	(148,291)
Accumulated other comprehensive income (loss)	2,555,441	2,896,452
Total Cemtrex stockholders' equity	17,169,574	22,590,650
Non-controlling interest	780,569	964,026
Total liabilities and shareholders' equity	**$ 51,203,568**	**$ 52,939,888**

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		For the nine months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Revenues	13,630,846	10,326,431	37,031,550	28,422,892
Cost of revenues	7,754,490	6,198,715	23,233,389	16,360,822
Gross profit	5,876,356	4,127,716	13,798,161	12,062,070
Operating expenses				
General and administrative	6,948,959	5,670,019	20,318,196	16,337,200
Research and development	1,048,246	757,966	3,474,674	2,033,688
Total operating expenses	7,997,205	6,427,985	23,792,870	18,370,888
Operating income/(loss)	(2,120,849)	(2,300,269)	(9,994,709)	(6,308,818)
Other income/(expense)				
Other income/(expense)	2,072,265	3,901,658	3,337,365	6,532,590
Settlement Agreement - Related Party	-	-	-	3,674,165
Interest Expense	(931,059)	(433,009)	(3,654,045)	(1,891,026)
Total other income/(expense), net	1,141,206	3,468,649	(316,680)	8,315,729
Net loss before income taxes	(979,643)	1,168,380	(10,311,389)	2,006,911
Income tax benefit/(expense)	247,941	(40,759)	247,941	(168,190)
Net income/(loss)	(731,702)	1,127,621	(10,063,448)	1,838,721
Less loss in noncontrolling interest	(50,909)	29,608	(183,457)	(20,813)
Net income/(loss) attributable to Cemtrex, Inc. shareholders	$ (680,793)	$ 1,098,013	$ (9,879,991)	$ 1,859,534
Other comprehensive income/(loss)				
Net income/(loss)	$ (731,702)	$ 1,127,621	$ (10,063,448)	$ 1,838,721
Foreign currency translation loss	(200,880)	(193,554)	(341,011)	(234,045)
Defined benefit plan actuarial gain	-	-	-	87,895
Comprehensive income/(loss)	(932,582)	934,067	(10,404,459)	1,692,571
Less comprehensive loss attributable to noncontrolling interest	50,909	(35,731)	183,457	14,524
Comprehensive income/(loss) attributable to Cemtrex, Inc. shareholders	$ (983,491)	$ 969,798	$ (10,587,916)	$ 1,678,047
Income/(loss) Per Share-Basic	$ (0.03)	$ 0.06	$ (0.41)	$ 0.10
Income/(loss) Per Share-Diluted	$ (0.03)	$ 0.06	$ (0.41)	$ 0.10
Weighted Average Number of Shares-Basic	25,777,704	18,711,463	24,316,527	18,368,274
Weighted Average Number of Shares-Diluted	25,777,704	18,711,463	24,316,527	18,368,274

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

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

	Preferred Stock Series 1 Par Value $0.001		Preferred Stock Series C Par Value $0.001		Common Stock Par Value $0.01								
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock, At cost	Accumulated other Comprehensive Income(loss)	Cemtrex Stockholders' Equity	Non-controlling interest
Balance at September 30, 2021	**1,885,151**	**$ 1,885**	**50,000**	**$ 50**	**20,782,194**	**$ 20,782**	**$ 61,727,834**	**$ (41,908,062)**	**$ (148,291)**	**$ 2,896,452**	**$ 22,590,650**	**$ 964,026**
Foreign currency translation gain/(loss)										59,492	59,492	
Share-based compensation							45,371				45,371	
Shares issued to pay notes payable					2,891,016	2,891	3,285,180				3,288,071	
Dividends paid in Series 1 preferred shares	94,602	95					(95)				-	
Income/(loss) attributable to noncontrolling interest											-	(51,872)
Net loss								(4,477,951)			(4,477,951)	
Balance at December 31, 2021	**1,979,753**	**$ 1,980**	**50,000**	**$ 50**	**23,673,210**	**$ 23,673**	**$ 65,058,290**	**$ (46,386,013)**	**$ (148,291)**	**$ 2,955,944**	**$ 21,505,633**	**$ 912,154**
Foreign currency translation gain/(loss)										$ (199,623)	(199,623)	
Share-based compensation							$ 27,046				27,046	
Shares issued with note payable					1,000,000	$ 1,000	$ 694,400				695,400	
Income/(loss) attributable to noncontrolling interest											-	$ (80,676)
Net loss								$ (4,721,247)			(4,721,247)	
Balance at March 31, 2022	**1,979,753**	**1,980**	**50,000**	**50**	**24,673,210**	**24,673**	**65,779,736**	**(51,107,260)**	**(148,291)**	**2,756,321**	**17,307,209**	**831,478**
Foreign currency translation gain/(loss)										(200,880)	(200,880)	
Share-based compensation							38,985				38,985	
Shares issued to pay notes payable					1,590,086	1,590	703,463				705,053	
Dividends paid in Series 1 preferred shares	99,369	99					(99)				-	
Income/(loss) attributable to noncontrolling interest											-	(50,909)
Net loss								(680,793)			(680,793)	
Balance at June 30, 2022	**2,079,122**	**2,079**	**50,000**	**50**	**26,263,296**	**26,263**	**66,522,085**	**(51,788,053)**	**(148,291)**	**2,555,441**	**17,169,574**	**780,569**

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

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

	Preferred Stock Series 1 Par Value $0.001		Preferred Stock Series A Par Value $0.001		Preferred Stock Series C Par Value $0.001		Common Stock Par Value $0.01							
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock, At cost	Accumulated other Comprehensive Income(loss)	Cemtrex Stockholders' Equity	Non-controlling interest
Balance at September 30, 2020, as restated	**2,156,784**	**$ 2,157**	**1,000,000**	**$ 1,000**	**100,000**	**$ 100**	**17,622,539**	**$ 17,623**	**$ 60,221,766**	**$ (34,100,067)**	**$ (148,291)**	**$ 1,812,457**	**$ 27,806,745**	**$ 1,042,300**
Foreign currency translation gain/(loss)												37,864	37,864	
Share-based compensation									16,071				16,071	
Shares issued to pay notes payable							345,638	345	407,507				407,852	
Dividends paid in Series 1 preferred shares	108,169	108							(108)				-	
Income/(loss) attributable to noncontrolling interest													-	(40,247)
Net loss										(1,692,611)			(1,692,611)	
Balance at December 31, 2020	**2,264,953**	**2,265**	**1,000,000**	**1,000**	**100,000**	**100**	**17,968,177**	**17,968**	**60,645,236**	**(35,792,678)**	**(148,291)**	**1,850,321**	**26,575,921**	**1,002,053**
Foreign currency translation gain/(loss)												(97,423)	(97,423)	
Defined benefit plan actuarial gain/(loss)												87,895	87,895	
Share-based compensation									49,246				49,246	
Shares issued to pay notes payable							743,286	743	1,298,733				1,299,476	
Income in noncontrolling interest														(10,174)
Shares and options surrendered in settelement agreement	(469,949)	(470)	(1,000,000)	(1,000)	(50,000)	(50)			(3,672,645)				(3,674,165)	
Net income										2,454,132			2,454,132	

Balance at March 31, 2021	**1,795,004**	**1,795**	**-**	**-**	**50,000**	**50**	**18,711,463**	**18,711**	**58,320,570**	**(33,338,546)**	**(148,291)**	**1,840,793**	**26,695,082**	**991,879**
Foreign currency translation gain/(loss)												(199,677)	(199,677)	
Dividends paid in Series 1 preferred shares	90,147	90							(90)				-	
Share-based compensation									45,587				45,587	
Shares granted to pay notes payable									480,509				480,509	
Income in noncontrolling interest													-	35,731
Net income										1,098,013			1,098,013	
Balance at June 30, 2021	**1,885,151**	**1,885**	**-**	**-**	**50,000**	**50**	**18,711,463**	**18,711**	**58,846,576**	**(32,240,533)**	**(148,291)**	**1,641,116**	**28,119,514**	**1,027,610**

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 nine months ended June 30,	
Cash Flows from Operating Activities	**2022**	**2021**
Net income/(loss)	$ (10,063,448)	$ 1,838,721
Adjustments to reconcile net income/(loss) to net cash used by operating activities		
Depreciation and amortization	1,346,383	972,186
Loss on disposal of property and equipment	161,814	18,583
Noncash lease expense	615,354	653,175
Change in allowance for doubtful accounts	(7,584)	(161,101)
Share-based compensation	111,402	110,904
Income tax expense/ (benefit)	(247,941)	168,190
Interest expense paid in equity shares	1,627,046	818,348
Accrued interest on notes payable	635,001	64,748
Amortization of original issue discounts on notes payable	908,333	575,000
Gain on marketable securities	(2,234,478)	(2,407,841)
Discharge of Paycheck Protection Program Loans	(971,500)	(3,349,700)
Settlement Agreement - Related Party	-	(3,674,165)
Changes in operating assets and liabilities net of effects from acquisition of subsidiaries:		
Accounts receivable	254,098	1,613,682
Accounts receivable - related party	14,641	(78,594)
Inventory	(2,801,243)	(1,875,591)
Prepaid expenses and other current assets	178,536	(976,050)
Other assets	(159,526)	149,778
Other liabilities	(13,542)	15,019
Accounts payable	1,166,536	30,327
Operating lease liabilities	(546,896)	(650,535)
Deposits from customers	(423,114)	9,567
Accrued expenses	(444,266)	(78,851)
Deferred revenue	706,383	124,637
Income taxes payable	(58,788)	(88,987)
Net cash used by operating activities	**(10,246,799)**	**(6,178,550)**
Cash Flows from Investing Activities		
Purchase of property and equipment	(1,003,121)	(1,113,658)
Proceeds from sale of property and equipment	51,262	-
Investment in MasterpieceVR	(500,000)	(500,000)
Investment in related party	-	(1,075,428)
Proceeds from sale of marketable securities	12,182,932	9,134,159
Purchase of marketable securities	(10,214,044)	(6,290,747)
Net cash used by investing activities	**517,029**	**154,326**
Cash Flows from Financing Activities		
Proceeds from notes payable	8,000,000	-
Payments on notes payable	(1,176,763)	(2,145,257)
Payments on capital lease liabilities	-	(20,061)
Payments on bank loans	(920,939)	(957,186)
Proceeds from Paycheck Protection Program Loans	-	2,942,285
Net cash provided/(used) by financing activities	**5,902,298**	**(180,219)**
Effect of currency translation	(397,644)	(386,160)
Defined benefit plan actuarial gain/(loss)	-	87,895
Net decrease in cash, cash equivalents, and restricted cash	(3,827,472)	(6,204,443)
Cash, cash equivalents, and restricted cash at beginning of period	17,186,323	21,072,859

Cash, cash equivalents, and restricted cash at end of period	**$**	**12,961,207**	**$**	**14,570,151**
Balance Sheet Accounts Included in Cash, Cash Equivalents, and Restricted Cash				
Cash and equivalents	$	11,442,487	$	12,879,278
Restricted cash		1,518,720		1,690,873
Total cash, cash equivalents, and restricted cash	**$**	**12,961,207**	**$**	**14,570,151**

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

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

Supplemental Disclosure of Cash Flow Information:				
Cash paid during the period for interest	$	483,665	$	432,930
Cash paid during the period for income taxes	$	306,729	$	88,765
Supplemental Schedule of Non-Cash Investing and Financing Activities				
Investment in Virtual Driver Interactive	$	-	$	439,774
Stock issued to pay notes payable	$	3,993,124	$	2,187,837
Shares issued in connection with note payable	$	700,400	$	-
Financing of right of use assets	$	317,187	$	-

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

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

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 into a leading multi-industry technology company. The Company has expanded in a wide range of sectors, including smart technologies, virtual and augmented realities, 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.

The Company has two business segments, consisting of (i) Advanced Technologies (AT) and (ii) Industrial Services (IS).

Advanced Technologies (AT)

Cemtrex’s Advanced Technologies segment operates several brands that deliver cutting-edge software and hardware technologies:

- **Vicon Industries –** Vicon Industries, a majority owned subsidiary, provides end-to-end video security solutions to meet the toughest corporate, industrial and governmental security challenges. Vicon’s products include browser-based video monitoring systems and analytics-based recognition systems, cameras, servers, and access control systems for every aspect of security and surveillance in industrial and commercial facilities, federal prisons, hospitals, universities, schools, and federal and state government offices. Vicon provides cutting edge, mission critical security and video surveillance solutions utilizing Artificial Intelligence (AI) based data algorithms.
- **SmartDesk –** SmartDesk is focused on reinventing the workspace through developing state-of-the-art, modern, fully integrated, workplace solutions.
- **Cemtrex XR (“CXR”)** – CXR is focused on realizing the potential of the metaverse. CXR delivers Virtual Reality (VR) and Augmented Reality (AR) solutions that provide higher productivity, progressive design and impactful experiences for consumer products, and various commercial and industrial applications. The Company is in the process of developing virtual reality applications for commercialization in the metaverse over the next couple years. CXR also invests in emerging startups focused on building best in class solutions for the metaverse.
- **Virtual Driver Interactive (“VDI”)** – VDI provides innovative driver training simulation solutions for effective and engaging learning for all ages and skills.
- **Bravo Strong** – Bravo Strong is a gaming and content studio working to building games and experiences for the metaverse.
- **good tech (formerly Cemtrex Labs)** – good tech provides mobile, web, and enterprise software application development services for startups to large enterprises.

Industrial Services (IS)

Cemtrex’s IS segment operates through a brand, Advanced Industrial Services (“AIS”), that offers single-source expertise and services for rigging, millwrighting, in plant maintenance, equipment erection, relocation, and disassembly to diversified customers. We install high precision equipment in a wide variety of industrial markets like automotive, printing & graphics, industrial automation, packaging, and chemicals among others. We are a leading provider of reliability-driven maintenance and contracting solutions for the machinery, packaging, printing, chemical, and other manufacturing markets. The focus is on customers seeking to achieve greater asset utilization and reliability to cut costs and increase production from existing assets, including small projects, sustaining capital, turnarounds, maintenance, specialty welding services, and high-quality scaffolding.

Acquisition of Virtual Driver Interactive

On October 26, 2020, the company acquired Virtual Driver Interactive (“VDI”), a California based provider of innovative driver training simulation solutions for a purchase price of $1,339,774 plus contingent consideration of $175,428.

For over 10 years, VDI has been known for its effective and engaging driver training systems, designed for users of all ages and skill levels. The Company offers comprehensive training for new teen and novice drivers, along with advanced training for corporate fleets and truck drivers. VDI's wide range of training courses and system options provide customers with highly portable, affordable and effective solutions, all while focusing on the dangers of distracted driving. Results for VDI will be reported under the AT segment.

The Company paid $900,000 in cash and issued a note payable in the amount of $439,774. This note carries interest of 5% and is payable in two installments of $239,774 plus accumulated interest on October 26, 2021, and $200,000 plus accumulated interest on October 26, 2022. Additionally, the Company paid contingent consideration of $175,428 in May 2021. There is no further contingent consideration specified in the purchase agreement. The Company has accounted for this acquisition as a business combination and has allocated the purchase price as follows, $876,820 to proprietary software, $39,992 to inventory, and $598,391 to goodwill.

Strategic Investment

On November 13, 2020, Cemtrex made a $500,000 investment and on January 19, 2022, made an additional $500,000 investment via a simple agreement for future equity ("SAFE") in MasterpieceVR. The SAFE provides that the Company will automatically receive shares of the entity based on the conversion rate of future equity rounds up to a valuation cap, as defined. MasterpieceVR is a software company that is developing software for content creation using virtual reality. The investment is included in other assets in the accompanying balance sheet and the Company accounts for this investment and recorded at cost. No impairment has been recorded for the period ended June 30, 2022.

Potential Impacts of COVID-19 on our Business

The COVID-19 pandemic impacted our business operations and the results of our operations during fiscal years 2020 and 2021, primarily with delays in orders by many customers and new product development, including newer versions of surveillance software since our technical facility in Pune, India had been under lock down on multiple occasions. Overall bookings level in the IS segment of our business were down by more than 20%, compared to fiscal 2019 levels, however our AT segment had experienced relatively less slow down. Bookings and revenue are recovering in this fiscal year compared to last year. However, due to ongoing delays in certain supply chain areas, the expected launch times of our new products and new versions has resulted in delays of several months. These supply chain issues have also affected the Company's ability to obtain inventory for our current bookings, and the Company has implemented a buildup of inventory levels to remain competitive and keep backlog orders at a minimum. Additionally, increased costs and the need to increase wages to retain talent may cause our gross margin percentages to shrink and our operational costs to rise. In response to these increased costs, the Company has implemented an ongoing review of our pricing to cover these additional costs while remaining competitive.

The broader implications of COVID-19 on our results from operations going forward remains uncertain. The COVID-19 pandemic and the resulting supply chain issues and inflation has the potential to cause adverse effects to our customers, suppliers or business partners in locations that have or will experience more pronounced disruptions, which could result in a reduction to future revenue and manufacturing output as well as delays in our new product development activities. However, opportunities in the video surveillance field have been growing for Vicon products.

The extent of the pandemics effect on our operational and financial performance will depend in large part on future developments, which cannot be reasonably estimated at this time. Future developments include the emergence of new virus variants that are more contagious or harmful than prior variants, the actions taken to contain or mitigate its impact both within and outside the jurisdictions where we operate, the impact on governmental programs and budgets, the development of treatments or vaccines, and the resumption of widespread economic activity. Due to the inherent uncertainty of the unprecedented and rapidly evolving situation, we are unable to predict with any confidence the likely impact of the COVID-19 pandemic on our future operations.

Going Concern

For the nine months ended June 30, 2022, the Company has incurred net losses of $10,063,448 with working capital of $5,757,185 as of June 30, 2022. The decrease in working capital over the past nine months is mainly due to the increase in the short-term portion of the Company's liabilities, $17,146,234 at June 30, 2022.

While our working capital and current debt indicate a substantial doubt regarding the Company's ability to continue as a going concern, the Company has historically, from time to time, satisfied and may continue to satisfy certain short-term liabilities through the issuance of common stock, thus reducing our cash requirement to meet our operating needs. Based on this, the Company believes that our cash on hand and cash generated by operations is sufficient to meet the capital demands of our current operations for at least the next twelve months. Any major increases in sales, particularly in new products, may require substantial capital investment. Failure to obtain sufficient capital could materially adversely impact our growth potential.

Overall, there is no guarantee that cash flow from our existing or future operations and any external capital that we may be able to raise will be sufficient to meet our expansion goals and working capital needs. The consolidated financial statements do not include any adjustments relating to this uncertainty.

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, 2021, of Cemtrex Inc.

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, Cemtrex Advanced Technologies Inc., Cemtrex Technologies Pvt. Ltd., Cemtrex XR Inc., and Advanced Industrial Services, Inc. and the Company's majority owned subsidiary Vicon Industries, Inc. and its subsidiary, Vicon Industries Ltd. All inter-company balances and transactions have been eliminated in consolidation.

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, 2021, includes a summary of the significant accounting policies used in the preparation of the consolidated financial statements.

Recently Issued Accounting Standards

ASU 2016-13 Measurement of Credit Losses on Financial Instrument is effective for fiscal years beginning after December 15, 2022. This is not expected to apply to the Company as financial instruments giving rise to credit risk are not utilized by the Company.

In May 2021, the FASB issued ASU 2021-04, Earnings Per Share (Topic 260), Debt-Modifications and Extinguishments (Subtopic 470-50), Compensation-Stock Compensation (Topic 718), and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40). The new ASU addresses issuer's accounting for certain modifications or exchanges of freestanding equity-classified written call options. This amendment is effective for all entities, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact this new guidance will have on its financial statements.

The Company does not believe that any other recently issued but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

NOTE 3 – LOSS PER COMMON SHARE

Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income per common share is computed by dividing net income by the weighted average number of shares of common stock and potentially dilutive outstanding shares of common stock during the period to reflect the potential dilution that could occur from common shares issuable through contingent share arrangements, stock options and warrants. For the three and mine months ended June 30, 2022, and 2021, the following items were excluded from the computation of diluted net loss per common share as their effect is anti-dilutive:

	For the three months ended June 30,		For the nine months ended June 30,	
	2022	2021	2022	2021
Warrants to purchase shares	-	433,965	-	433,965
Options	1,210,260	1,383,965	1,210,260	1,383,965

NOTE 4 – SEGMENT INFORMATION

The Company reports and evaluates financial information fortwo segments: Advanced Technologies (AT) segment, and the Industrial Services (IS) 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 IS segment offers single-source expertise and services for rigging, millwrighting, in plant maintenance, equipment erection, relocation, and disassembly to diversified customers in USA in industries such as: manufacturing, steel, printing, construction, & petrochemical.

The following tables summarize the Company's segment information:

	For the three months ended June 30,		**For the nine months ended June 30,**	
	2022	**2021**	**2022**	**2021**
Revenues from external customers				
Advanced Technologies	$ 8,162,855	$ 5,845,958	$ 21,503,679	$ 16,006,241
Industrial Services	$ 5,467,991	4,480,473	15,527,871	12,416,651
Total revenues	$ 13,630,846	$ 10,326,431	$ 37,031,550	$ 28,422,892
Gross profit				
Advanced Technologies	$ 4,219,490	$ 2,693,677	$ 9,245,092	$ 7,686,875
Industrial Services	1,656,866	1,434,039	4,553,069	4,375,195
Total gross profit	$ 5,876,356	$ 4,127,716	$ 13,798,161	$ 12,062,070
Operating income/(loss)				
Advanced Technologies	$ (3,426,264)	$ (1,650,221)	$ (13,252,823)	$ (5,185,944)
Industrial Services	1,305,415	(650,048)	3,258,114	(1,122,874)
Total operating loss	$ (2,120,849)	$ (2,300,269)	$ (9,994,709)	$ (6,308,818)
Other income/(expense)				
Advanced Technologies	$ 1,252,826	$ 4,955,782	$ (135,094)	$ 5,666,112
Industrial Services	$ (111,620)	(1,487,133)	(181,586)	2,649,617
Total other expense	$ 1,141,206	$ 3,468,649	$ (316,680)	$ 8,315,729
Depreciation and Amortization				
Advanced Technologies	$ 309,634	$ 103,177	$ 816,604	$ 308,755
Industrial Services	174,066	189,005	529,779	663,431
Total depreciation and amortization	$ 483,700	$ 292,182	$ 1,346,383	$ 972,186

	June 30, 2022	**September 30, 2021**
Identifiable Assets		
Advanced Technologies	$ 34,098,148	$ 33,850,496
Industrial Services	17,105,420	19,089,392
Total Assets	$ 51,203,568	$ 52,939,888

NOTE 5 – FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level hierarchy is applied to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the guidance for fair value measurements are described below:

Level 1 — Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Our Level 1 assets include cash equivalents, banker's acceptances, trading securities investments and investment funds. We measure trading securities investments and investment funds at quoted market prices as they are traded in an active market with sufficient volume and frequency of transactions.

Level 2 — Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified contractual term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Level 3 inputs are unobservable inputs for the asset or liability in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include cost method investments. Quantitative information for Level 3 assets and liabilities reviewed at each reporting period includes indicators of significant deterioration in the earnings performance, credit rating, asset quality, business prospects of the investee, and financial indicators of the investee's ability to continue as a going concern.

The Company's fair value assets at June 30, 2022 and September 30, 2021, are as follows.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2022
Assets				
Investment in marketable securities				
(included in short-term investments)	$ 280,571	$ -	$ -	$ 280,571
	$ 280,571	$ -	$ -	$ 280,571

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of September, 30 2021
Assets				
Investment in marketable securities				
(included in short-term investments)	$ 14,981	$ -	$ -	$ 14,981
	$ 14,981	$ -	$ -	$ 14,981

NOTE 6 – RESTRICTED CASH

A subsidiary of the Company participates in a consortium in order to self-insure group care coverage for its employees. The plan is administrated by Benecon Group and the Company makes monthly deposits in a trust account to cover medical claims and any administrative costs associated with the plan. These funds, as required by the plan are restricted in nature and amounted to $1,518,720 at June 30, 2022 and $1,601,932 at September 30, 2021. Additionally, the Company had a standby letter of credit for deposit on a building lease and payable against a money market account. The amount of the standby letter of credit is $0 and $517,415 as of June 30, 2022 and September 30, 2021, respectively.

NOTE 7 – TRADE RECEIVABLES, NET

Accounts receivables, net consist of the following:

	June 30, 2022	September 30, 2021
Trade receivables	$ 7,735,790	$ 7,989,888
Allowance for doubtful accounts	(171,408)	(178,992)
	$ 7,564,382	$ 7,810,896

Accounts receivable include amounts due for shipped products and services rendered.

Allowance for doubtful accounts include estimated losses resulting from the inability of our customers to make required payments.

NOTE 8 – INVENTORY, NET

Inventory, net, consist of the following:

	June 30, 2022	September 30, 2021
Raw materials	$ 2,520,373	$ 1,957,410
Work in progress	231,123	429,871
Finished goods	6,619,379	5,191,007
	9,370,875	7,578,288

Less: Allowance for inventory obsolescence		(912,345)		(1,921,001)
Inventory –net of allowance for inventory obsolescence	$	8,458,530	$	5,657,287

NOTE 9 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

		June 30, 2022		September 30, 2021
Land	$	790,373	$	790,373
Building and leasehold improvements		2,932,111		2,892,900
Furniture and office equipment		534,185		501,885
Computers and software		1,313,816		1,105,681
Machinery and equipment		12,392,900		12,984,959
		17,963,385		18,275,798
Less: Accumulated depreciation		(11,724,146)		(11,536,854)
Property and equipment, net	$	6,239,239	$	6,738,944

Depreciation expense for the three months ended June 30, 2022, and 2021 were $483,700, and $292,182, respectively, and for the nine months ended June 30, 2022, and 2021 were $1,346,383, and $972,186, respectively.

NOTE 10 – LEASES

ASC 842, "Leases", 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 either the effective date (the "effective date method") or the beginning of the earliest period presented (the "comparative method") using a modified retrospective approach. Under the effective date method, the Company's comparative period reporting is unchanged. In contrast, under the comparative method, the Company's date of initial application is the beginning of the earliest comparative period presented, and the Topic 842 transition guidance is then applied to all comparative periods presented. Further, under either transition method, the standard includes certain practical expedients intended to ease the burden of adoption. The Company adopted ASC 842 October 1, 2019, using the effective date method and elected certain practical expedients allowing the Company not to reassess:

- whether expired or existing contracts contain leases under the new definition of a lease;
- lease classification for expired or existing leases; and
- whether previously capitalized initial direct costs would qualify for capitalization under Topic 842.

The Company also made the accounting policy decision not to recognize lease assets and liabilities for leases with a term of 12 months or less.

The Company entered into operating leases for its facilities in New York, United Kingdom, and India, as well as for vehicles for use in our Industrial Services segment. The operating lease terms range from 1 to 7 years. The Company excluded the renewal option on its applicable facility leases from the calculation of its right-of-use assets and lease liabilities.

Finance and operating lease liabilities consist of the following:

		June 30, 2021		September 30, 2021
Lease liabilities - current				
Finance leases	$	-	$	-
Operating leases		819,488		830,791
		819,488		830,791
Lease liabilities - net of current portion				
Finance leases	$	-	$	-
Operating leases		1,799,002		2,017,408
	$	1,799,002	$	2,017,408

A reconciliation of undiscounted cash flows to finance and operating lease liabilities recognized in the condensed consolidated balance sheet at June 30, 2022, is set forth below:

Years ending September 30,		Finance leases		Operating Leases		Total
2022		-		275,319		275,319
2023		-		834,504		834,504
2024		-		660,865		660,865
2025		-		638,531		638,531
2026 & Thereafter		-		702,252		702,252
Undiscounted lease payments		-		3,111,471		3,111,471
Amount representing interest		-		(492,981)		(492,981)
Discounted lease payments	$	-	$	2,618,490	$	2,618,490

Additional disclosures of lease data are set forth below:

	Nine months ended	
	June 30, 2022	June 30, 2021
Lease costs:		
Finance lease costs:		
Depreciation of finance lease assets	$ -	$ 17,184
Interest on lease liabilities	-	88
Operating lease costs:		
Operating lease expense	$ 686,124	$ 727,374
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating leases	$ 546,896	$ 650,535
Finance leases	-	28,535
	$ 546,896	$ 679,070
Weighted-average remaining lease term - finance leases (months)	0	3
Weighted-average remaining lease term - operating leases (months)	33	58
Weighted-average discount rate - finance leases	N/A	3.63%
Weighted-average discount rate - operating leases	5.66%	6.85%

The Company used the rate implicit in the lease, where known, or its incremental borrowing rate as the rate used to discount the future lease payments.

NOTE 11 – PREPAID AND OTHER CURRENT ASSETS

On June 30, 2022, the Company had prepaid and other current assets consisting of prepayments on inventory purchases of $439,143, costs and estimated earnings in excess of billings on uncompleted contracts of $504,618, and other current assets of $1,463,355. On September 30, 2021, the Company had prepaid and other current assets consisting of prepayments on inventory purchases of $298,707, costs and estimated earnings in excess of billings on uncompleted contracts of $1,148,243, and other current assets of $1,138,702.

NOTE 12 – OTHER ASSETS

As of June 30, 2022, the Company had other assets of $1,356,766 which was comprised of rent security of $90,791, a strategic investment in MasterpieceVR of $1,000,000, and other assets of $265,975. As of September 30, 2021, the Company had other assets of $697,240 whichwas comprised of rent security deposits of $84,362, Investment in Masterpiece VR valued at $500,000, and other assets of $112,878.

NOTE 13 – RELATED PARTY TRANSACTIONS

On August 31, 2019, the Company entered into an Asset Purchase Agreement for the sale of Griffin Filters, LLC to Ducon Technologies, Inc., which Aron Govil, the Company's Founder and former CFO, its President, for total consideration of $550,000. As of June 30, 2022, and September 30, 2021, there was $1,472,514 and $1,487,155 in receivables due from Ducon Technologies, Inc., respectively. At June 30, 2022, $500,000 of the balance due is for the sale of Griffin, which was due in February 2021, and the remaining balance are various receivables with various due dates within the next fiscal year. The Company has negotiated a payment agreement surrounding the sale of Griffin Filters, LLC and other liabilities due to Cemtrex, Inc. totaling 761,585. This agreement is in the form of a secured promissory note earning interest at a rate of 5% per annum and matures on July 31, 2024. The remaining $710,929 represents the amount due from Ducon to Cemtrex Technologies Pvt. Ltd. the Company's subsidiary based in India and is still in negotiation.

On February 23, 2021, Cemtrex's Board of Directors determined that certain transactions between Cemtrex Inc. and First Commercial, a company owned by former Executive Director, former Controlling Shareholder and former CFO, Aron Govil, were incorrectly handled and accounted for.

The total amount of disputed transfers was approximately $7,100,000 and occurred in fiscal year 2017 in the amount of $5,600,000 and in fiscal year 2018 in the amount of $1,500,000. Cemtrex did not find any other such transfers during this period or thereafter, upon further review of the Company's records.

Upon the Company's investigation into this matter, the Company has determined that there were inaccuracies in the Company's financial statements. The financials for the periods 2017 and 2018 were incorrect corresponding to the amounts that were incorrectly accounted for, and subsequent years were affected by the roll forward effects of these entries. The Company found unsupported advertising expenses in the amount of approximately $400,000 on Cemtrex Inc's income statement for fiscal year 2018 and found that approximately $5,700,000 of intangible assets and $975,000 of research and development expenses, as translated from Indian Rupee at the time, were recorded on Cemtrex India's financial statements in fiscal year 2018 and could not be substantiated. The total amount of unsubstantiated transfers recorded by Cemtrex India, and the unsupported advertising expense recorded by Cemtrex, Inc. sums to $7,100,000, corresponding with the total amount in question regarding First Commercial transfers during fiscal years 2017 and 2018

On February 26, 2021, the Company entered into a Settlement Agreement and Release with Aron Govil regarding these transactions.

As part of the Settlement Agreement, Mr. Govil was required to pay the Company consideration with a total value of $7,100,000 (the "Settlement Amount") by entering into the Agreement. The Settlement Amount was satisfied in a combination of Mr. Govil forfeiting certain Preferred Stock and outstanding options and executing a secured note in the amount of $1,533,280. The Independent Board of Directors in coordination with Management concluded the settlement represented fair value.

In March 2021, Mr. Govil returned to the Company 1,000,000 shares of Series A Preferred Stock, 50,000 Shares of Series C Preferred Stock, 469,949 shares of Series 1 Preferred Stock, and forfeited all outstanding options to purchase shares of commons stock (collectively, the "Securities"). For the purposes of accounting recognition, the Company determined the fair value of the Series A, Series C, and Series 1 Preferred stock based on the closing trading value of the Series 1 Preferred Stock on the date of the agreement. The options surrendered were valued using the Black-Scholes option pricing model.

The Company recognized the gain with respect to the surrendered Securities during the second quarter of fiscal year 2021. The gain of $5,674,165 is reported as Settlement Agreement – Related Party on the Company's Condensed Consolidated Statements of Operations and Comprehensive Income/(Loss).

As discussed above, Mr. Govil also executed a secured promissory note (the "Note") in the amount of $1,533,280. The Note matures and is due in full intwo years and bears interest at 9% per annum and is secured by all of Mr. Govil's assets. Mr. Govil also agreed to sign an affidavit confessing judgment in the event of a default on the Note. While the Company believes the note is fully collectible, in accordance with ASC 450-30, Gain Contingencies, the Company determined the gain will not be recognized until the note is paid. Accordingly, the note and associated gain is not presented on the Company's Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Operations and Comprehensive Income/(Loss).

NOTE 14 – LINES OF CREDIT AND LONG-TERM LIABILITIES

Lines of credit

The Company currently has a line of credit with Fulton Bank for $3,500,000. The line carried interest of LIBOR plus 2.00% per annum (2.075% as of September 30, 2021). On June 10, 2022, The Company and Fulton Bank agreed to an amendment of the line of credit to carry interest at the Secured Overnight Financing Rate ("SOFR") plus 2.37% per annum (3.87% as of June 30, 2022). At June 30, 2022 and September 30, 2021, there was no outstanding balance on this line of credit. The terms of this line of credit are subject to the bank's review annually on February 1.

Loans payable to bank

On December 15, 2015, the Company acquired a loan from Fulton Bank in the amount of $5,250,000 in order to fund the purchase of Advanced Industrial Services, Inc. $5,000,000 of the proceeds went to direct purchase of AIS. This loan carried interest of LIBOR plus 2.25% per annum (2.325% as of September 30, 2021). On June 10, 2022, The Company and Fulton Bank agreed to an amendment of the loan to carry interest at SOFR plus 2.37% per annum (3.87% as of June 30, 2022). This loan is payable on December 15, 2022. This loan carries loan covenants which the Company was in compliance with as of June 30, 2022. The outstanding balance on this loan was $492,031 and $1,218,680, on June 30, 2022, and September 30, 2021, respectively. This loan is secured by the assets of the Company.

On May 1, 2018, the Company acquired a loan from Fulton Bank in the amount of $400,000 in order to fund new equipment for Advanced Industrial Services, Inc. This loan carried interest of LIBOR plus 2.00% per annum (2.075% as of September 30, 2021). On June 10, 2022, The Company and Fulton Bank agreed to an amendment of the loan to carry interest at SOFR plus 2.37% per annum (3.87% as of June 30, 2022). This loan is payable on May 1, 2023. This loan carries loan covenants which the Company was in compliance with as of June 30, 2022. The outstanding balance on this loan was $84,581 and $149,914, on June 30, 2022, and September 30, 2021, respectively. This loan is secured by the assets of the Company

On January 28, 2020, the Company acquired a loan from Fulton Bank in the amount of $360,000 in order to fund new equipment for Advanced Industrial Services, Inc. This loan carried interest of LIBOR plus 2.25% per annum (2.325% as of September 30, 2021). On June 10, 2022, The Company and Fulton Bank agreed to an amendment of the loan to carry interest at SOFR plus 2.37% per annum (3.87% as of June 30, 2022). This loan is payable on May 1, 2023. This loan carries loan covenants which the Company was in compliance with as of June 30, 2022. The outstanding balance on this loan was $201,975 and $258,060, on June 30, 2022, and September 30, 2021, respectively. This loan is secured by the assets of the Company

Notes payable

On September 30, 2020, the Company, issued a note payable to an independent private lender in the amount of $4,605,000. This note carried interest of 8% and matured on March 30, 2022. After deduction of an original issue discount of $600,000 and legal fees of $5,000, the Company received $4,000,000 in cash. As of June 30, 2022, and September 30, 2021, this note had a balance of $0 and $2,256,448, respectively. As of June 30, 2022, and September 31, 2021, this note had unamortized original issue discount balance of $0 and $200,000, respectively

On September 30, 2021, the Company, issued a note payable to an independent private lender in the amount of $5,755,000. This note carries interest of 8% and matures on March 30, 2023. After deduction of an original issue discount of $750,000 and legal fees of $5,000, the Company received $5,000,000 in cash. As of June 30, 2022, and September 30, 2021, this note had a balance of $5,306,176 and $5,005,000, respectively. As of June 30, 2022, and September 31, 2021, this note had unamortized original issue discount balance of $375,000 and $750,000, respectively.

On February 22, 2022, the Company, issued a note payable to an independent private lender in the amount of $9,205,000. This note carries interest of 8% and matures on August 22, 2023. After deduction of an original issue discount of $1,200,000 and legal fees of $5,000, the Company received $8,000,000 in cash. Additionally, the Company issued 1,000,000 shares of its common stock to the lender. The fair market value of the stock of $700,400 was recognized as interest expense on the Company's Condensed Consolidated Statement of Operations and Comprehensive Income/(Loss). As of June 30, 2022, this note had a balance of $9,470,561. As of June 30, 2022, this note had unamortized original issue discount balance of $866,667.

On March 30, 2022, Vicon, a subsidiary of the Company, amended the $5,600,000 Term Loan Agreement with NIL Funding Corporation ("NIL"). Upon closing, $500,000 of outstanding borrowings were repaid to NIL. The Agreement requires monthly payments of accrued interest that began on October 1, 2018. This note carries interest of 8.85% and matures on March 30, 2023. This note carries loan covenants which the Company is in compliance with as of June 30, 2022. As of June 30, 2022, and September 30, 2021, this note had a balance of $2,897,743 and $3,604,743, respectively.

Mortgage Payable

On January 28, 2020, the Company's subsidiary, Advanced Industrial Services, Inc., completed the purchase of two buildings for a total purchase price of $3,381,433. The Company paid $905,433 in cash and acquired a mortgage from Fulton Bank in the amount of $2,476,000. This mortgage carried interest of LIBOR plus 2.50% per annum (2.575% as of September 30, 2021). On June 10, 2022, The Company and Fulton Bank agreed to an amendment of the mortgage to carry interest at SOFR plus 2.62% per annum (4.12% as of June 30, 2022). This mortgage is payable on January 28, 2040. This loan carries loan covenants similar to covenants on the Company's other loans from Fulton Bank. As of June 30, 2022, the Company was in compliance with these covenants. As of June 30, 2022, and September 30, 2021, this mortgage had a balance of $2,265,733 and $2,339,114, respectively.

Paycheck Protection Program Loans

In April and May of 2020, and January and April of 2021, the Company and its subsidiaries applied for and were granted $6,413,385 in Paycheck Protection Program loans under the CARES Act. These loans bear interest of 2% and mature in two years. The Company has applied for and received loan forgiveness under the provisions of the CARES Act for $6,291,985. The remaining loan of $121,400 has been modified with a maturity date of May 5, 2025 and payments starting in June of 2022 and is recorded under Paycheck Protection Program Loans on our Condensed Consolidated Balance Sheet as of June 30, 2022, net of the short-term portion of $24,280. The issuing bank determined that this loan qualifies for loan forgiveness, however the Company is awaiting final approval from the Small Business Administration.

NOTE 15 – STOCKHOLDERS' EQUITY

Preferred Stock

The Company is authorized to issue 10,000,000 shares of Preferred Stock, $0.001 par value. As of June 30, 2022, and September 30, 2021, there were 2,129,122 and 1,935,151 shares issued and outstanding, respectively.

Series 1 Preferred Stock

During the nine months ended June 30, 2022,193,971 shares of Series 1 Preferred Stock were issued to pay dividends to holders of Series 1 Preferred Stock.

As of June 30, 2022, and September 30, 2021, there were2,079,122 and 1,885,151 shares of Series 1 Preferred Stock issued and outstanding, respectively.

Series C Preferred Stock

On October 3, 2019, pursuant to Article IV of our Articles of Incorporation, our Board of Directors voted to designate a class of preferred stock entitled Series C Preferred Stock, consisting of up to one hundred thousand (100,000) shares, par value $0.001. Under the Certificate of Designation, holders of Series C Preferred Stock are entitled to the number of votes equal to the result of (i) the total number of shares of Common Stock outstanding at the time of such vote multiplied by 10.01, and divided by (ii) the total number of shares of Series C Preferred Stock outstanding at the time of such vote, at each meeting of our shareholders with respect to any and all matters presented to our shareholders for their action or consideration, including the election of directors.

As of June 30, 2022, and September 30, 2021, there were50,000 shares of Series C Preferred Stock issued and outstanding.

Common Stock

The Company is authorized to issue 50,000,000 shares of common stock, $0.001 par value. As of June 30, 2022, there were26,263,296 shares issued and outstanding and at September 30, 2021, there were 20,782,194 shares issued and outstanding.

During the nine months ended June 30, 2022,4,481,102 shares of the Company's common stock have been issued to satisfy $2,712,500 of notes payable, $353,978 in accrued interest, and $926,646 of excess value of shares issued recorded as interest expense. An additional1,000,000 shares were issued in connection with a note payable issued on February 22, 2022.

NOTE 16 – SHARE-BASED COMPENSATION

For the nine months ended June 30, 2022, and 2021, the Company recognized $111,402 and $110,904 of share-based compensation expense on its outstanding options, respectively. As of June 30, 2022, $269,142 of unrecognized share-based compensation expense is expected to be recognized over a period of four years. Future compensation amounts will be adjusted for any change in estimated forfeitures.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

The Company has its corporate headquarters in New York City with a 12-month lease of2,500 square feet of office space at a rate of $10,000 per month.

The Company's IS segment owns approximately 25,000 square feet of warehouse space in Manchester, PA and approximately 43,000 square feet of office and warehouse space in York, PA. The IS segment also leases approximately 15,500 square feet of warehouse space in Emigsville, PA from a third party in a three-year lease at a monthly rent of $4,555 expiring on August 31, 2022.

The Company's AT segment leases (i) approximately 6,700 square feet of office and warehouse space in Pune, India from a third party in anfive year lease at a monthly rent of $6,453 (INR456,972) expiring on February 28, 2024, (ii) approximately 30,000 square feet of office and warehouse space in Hauppauge, New York from a third party in a seven-year lease at a monthly rent of $28,719 expiring on March 31, 2027, and (iii) approximately9,400 square feet of office and warehouse space in Hampshire, England in a fifteen-year lease with at a monthly rent of $7,329 (£5,771) which expires on March 24, 2031 and contains provisions to terminate in 2026.

NOTE 18 – SUBSEQUENT EVENTS

Cemtrex has evaluated subsequent events up to the date the condensed consolidated financial statements were issued. Cemtrex has concluded that there were no subsequent events that occurred and require recognition or disclosure in the condensed consolidated financial statements.

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

Except for historical information contained in this report, the matters discussed are forward-looking statements that involve risks and uncertainties. When used in this report, words such as "anticipates", "believes", "could", "estimates", "expects", "may", "plans", "potential" and "intends" and similar expressions, as they relate to the Company or its management, identify forward-looking statements. Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. 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 into a leading multi-industry technology company. The Company has expanded in a wide range of sectors, including smart technologies, virtual and augmented realities, 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.

The Company has two business segments, consisting of (i) Advanced Technologies (AT) and (ii) Industrial Services (IS).

Advanced Technologies (AT)

Cemtrex's Advanced Technologies segment operates several brands that deliver cutting-edge software and hardware technologies:

- **Vicon Industries –** Vicon Industries, a majority owned subsidiary, provides end-to-end video security solutions to meet the toughest corporate, industrial and governmental security challenges. Vicon's products include browser-based video monitoring systems and analytics-based recognition systems, cameras, servers, and access control systems for every aspect of security and surveillance in industrial and commercial facilities, federal prisons, hospitals, universities, schools, and federal and state government offices. Vicon provides cutting edge, mission critical security and video surveillance solutions utilizing Artificial Intelligence (AI) based data algorithms.

- **SmartDesk –** SmartDesk is focused on reinventing the workspace through developing state-of-the-art, modern, fully integrated, workplace solutions.
- **Cemtrex XR ("CXR")** – CXR is focused on realizing the potential of the metaverse. CXR delivers Virtual Reality (VR) and Augmented Reality (AR) solutions that provide higher productivity, progressive design and impactful experiences for consumer products, and various commercial and industrial applications. The Company is in the process of developing virtual reality applications for commercialization in the metaverse over the next couple years. CXR also invests in emerging startups focused on building best in class solutions for the metaverse.
- **Virtual Driver Interactive ("VDI")** – VDI provides innovative driver training simulation solutions for effective and engaging learning for all ages and skills.
- **Bravo Strong** – Bravo Strong is a gaming and content studio working to building games and experiences for the metaverse.
- **good tech (formerly Cemtrex Labs)** – good tech provides mobile, web, and enterprise software application development services for startups to large enterprises.

Industrial Services (IS)

Cemtrex's IS segment operates through a brand, Advanced Industrial Services ("AIS"), that offers single-source expertise and services for rigging, millwrighting, in plant maintenance, equipment erection, relocation, and disassembly to diversified customers. We install high precision equipment in a wide variety of industrial markets like automotive, printing & graphics, industrial automation, packaging, and chemicals among others. We are a leading provider of reliability-driven maintenance and contracting solutions for the machinery, packaging, printing, chemical, and other manufacturing markets. The focus is on customers seeking to achieve greater asset utilization and reliability to cut costs and increase production from existing assets, including small projects, sustaining capital, turnarounds, maintenance, specialty welding services, and high-quality scaffolding.

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, 2021.

Results of Operations – For the three months ending June 30, 2022, and 2021

Total revenue for the three months ended June 30, 2022, and 2021 was $13,630,846 and $10,326,431, respectively, an increase of $3,304,415, or 32%. Loss from operations for the three months ended June 30, 2022, was $2,120,849 compared to $2,300,269 for the three months ended June 30, 2021, a decrease on the loss of $179,420, or 8%. Total revenue for the quarter increased, as compared to total revenue in the same period last year, due to increased demand for the Company's products and services. Loss from operations decreased due to increased revenues as compared to the same period in the prior year.

Revenues

Our Advanced Technologies segment revenues for the three months ended June 30, 2022, increased by $2,316,897 or 40% to $8,162,855 from $5,845,958 for the three months ended June 30, 2021. This increase is due to an increased demand for security technology products under our Vicon brand.

Our Industrial Services segment revenues for the three months ended June 30, 2022, increased by $987,518 or 22%, to $5,467,991 from $4,480,473 for the three months ended June 30, 2021. This increase is mainly due to an increased demand for the segment's products and services.

Gross Profit

Gross Profit for the three months ended June 30, 2022, was $5,876,356 or 43% of revenues as compared to gross profit of $4,127,716 or 40% of revenues for the three months ended June 30, 2021. Gross profit as a percentage of revenues increased in the three months ended June 30, 2022, compared to the three months ended June 30, 2021, due to price increases implemented throughout the company in response to rising costs of our goods and transportation costs. The Company's gross profit margins vary from product to product and from customer to customer.

General and Administrative Expenses

General and administrative expenses for the three months ended June 30, 2022, increased $1,278,940 or 23% to $6,948,959 from $5,670,019 for the three months ended June 30, 2021. General and administrative expenses as a percentage of revenues was 51% and 55% of revenues for the three-month periods ended June 30, 2022, and 2021, respectively. The increase in general and administrative expenses is the result of increased personnel, travel, depreciation and amortization, and insurance expenses.

Research and Development Expenses

Research and Development expenses for the three months ended June 30, 2022, was $1,048,246 compared to $757,966 for the three months ended June 30, 2021. Research and Development expenses are primarily related to the Advanced Technologies Segment's development of proprietary technology and further developments of the SmartDesk and Artificial Intelligence (AI) and next generation solutions associated with security and surveillance systems software.

Other Income/(Expense)

Other income/(expense) for the third quarter of fiscal 2022, was $1,141,206 as compared to $3,468,649 for the third quarter of fiscal 2021. Other income/(expense) for the three months ended June 30, 2022, included realized and unrealized gain on marketable securities of $2,075,125.

Provision for Income Taxes

During the third quarter of fiscal 2022, the Company had an income tax benefit of $247,941 compared to an expense of $40,759 for the third quarter of fiscal 2021. 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 and the Company's projected ability to utilize net loss carryforwards.

Net income/(loss) attributable to Cemtrex, Inc. shareholders

The Company had a net loss attributable to Cemtrex, Inc. shareholders of $680,739, or 5% of revenues, for the three-month period ended June 30, 2022, as compared to net income attributable to Cemtrex, Inc. shareholders of $1,098,013 or 11% of revenues, for the three months ended June 30, 2021. Net income/(loss) attributable to Cemtrex, Inc. shareholders decreased in the third quarter as compared to the same period last year was primarily due to operating, and other expenses mentioned above.

Results of Operations – For the nine months ending June 30, 2022, and 2021

Total revenue for the nine months ended June 30, 2022, and 2021 was $37,031,550 and $28,422,892 respectively, an increase of $8,608,658, or 30%. Loss from operations for the nine months ended June 30, 2022, was $9,994,709 compared to $6,308,818 for the nine months ended June 30, 2021, an increase on the loss of $3,685,891, or 58%. Total revenue for the period increased, as compared to total revenue in the same period last year, due to increased demand for the Company's products and services. Loss from operations increased due to increased expenses related to personnel costs, depreciation and amortization, insurance, travel, and research and development costs.

Revenues

Our Advanced Technologies segment revenues for the nine months ended June 30, 2022, increased by $5,497,438 or 34% to $21,503,679 from $16,006,241 for the nine months ended June 30, 2021. This increase is due to an increased demand for security technology products under our Vicon brand.

Our Industrial Services segment revenues for the nine months ended June 30, 2022, increased by $3,111,220 or 25%, to $15,527,871 from $12,416,651 for the nine months ended June 30, 2021. This increase is mainly due to an increased demand and increased pricing for the segment's products and services.

Gross Profit

Gross Profit for the nine months ended June 30, 2022, was $13,798,161 or 37% of revenues as compared to gross profit of $12,062,070 or 42% of revenues for the nine months ended June 30, 2021. Gross profit as a percentage of revenues decreased in the nine months ended June 30, 2022, compared to the nine months ended June 30, 2021, due to increased cost of revenues as a result of supply chain difficulties and increased transportation costs for goods. The Company's gross profit margins vary from product to product and from customer to customer.

General and Administrative Expenses

General and administrative expenses for the nine months ended June 30, 2022, increased $3,980,996 or 24% to $20,318,196 from $16,337,200 for the nine months ended June 30, 2021. General and administrative expenses as a percentage of revenues was 55% and 57% of revenues for the nine-month periods ended June 30, 2022, and 2021, respectively. The increase in general and administrative expenses is the result of increased personnel, travel, depreciation and amortization, and insurance expenses.

Research and Development Expenses

Research and Development expenses for the nine months ended June 30, 2022, was $3,474,674 compared to $2,033,688 for the nine months ended June 30, 2021. Research and Development expenses are primarily related to the Advanced Technologies Segment's development of proprietary technology and further developments of the SmartDesk and Artificial Intelligence (AI) and next generation solutions associated with security and surveillance systems software.

Other Income/(Expense)

Other income/(expense) for the first three quarters of fiscal 2022, was $(316,680) as compared to $8,315,729 for the first three quarters of fiscal year 2021. Other income/(expense) for the nine months ended June 30, 2022, included the gain on the forgiveness of our PPP loans of $971,500 and the issuance of common stock in connection with a note payable of $700,400 and the realized and unrealized gain on marketable securities of $2,235,738.

Provision for Income Taxes

During the first three quarters of fiscal year 2022, the Company had an income tax benefit of $247,941 compared to an expense of $168,190 for the first three quarters of fiscal year 2021. 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 and the Company's projected ability to utilize net loss carryforwards.

Net income/(loss) attributable to Cemtrex, Inc. shareholders

The Company had a net loss attributable to Cemtrex, Inc. shareholders of $9,879,991, or 27% of revenues, for the nine-month period ended June 30, 2022, as compared to net income attributable to Cemtrex, Inc. shareholders of $1,859,534 or 7% of revenues, for the nine months ended June 30, 2021. Net loss attributable to Cemtrex, Inc. shareholders increased in the first three quarters of fiscal year 2022 as compared to the same period last year was primarily due to costs of revenues and operating expenses mentioned above.

Effects of Inflation

The Company's business and operations have not been materially affected by inflation during the periods for which financial information is presented.

Liquidity and Capital Resources

Working capital was $5,751,185 at June 30, 2022, compared to $15,088,892 at September 30, 2021. This includes cash and equivalents and restricted cash of $12,961,207 at June 30, 2022, and $17,186,323 at September 30, 2021. The decrease in working capital was primarily due to the Company's use of cash to build inventory and a shift of liabilities to short-term during the first three quarters of fiscal year 2022.

Trade receivables decreased $246,514 or 3% to $7,564,382 at June 30, 2022, from $7,810,896 at September 30, 2021. The decrease in trade receivables is attributable to increased collection efforts to keep our trade receivables from going past due.

Inventories increased $2,801,243 or 50% to $8,458,530 at June 30, 2022, from $5,657,287 at September 30, 2021. The increase in inventories is attributable to the purchase of inventories for new products the Company plans to ship in the future and to build up stock inventory to account for supply chain issues.

Cash used by operating activities for the nine months ended June 30, 2022 and 2021 was $10,246,799 and $6,198,611 respectively. The decrease in operating cash flows was primarily due to purchases on inventory and payment of accounts payable and accrued expenses.

Cash provided by investment activities for the nine months ended June 30, 2022 was $517,029 compared to $154,326 for the nine-month period ending June 30, 2021. Investing activities for the first three quarters of fiscal year 2022 were driven mainly by the Company's net gain on the purchase and sale of marketable securities and the sale of property and equipment.

Cash provided by financing activities for the nine months ended June 30, 2022 and 2021 $5,902,298 compared to using cash of $160,158 for the nine-month period ending June 30, 2021. Financing activities were primarily driven by proceeds from the note payable issued in February of 2022.

We believe that our cash on hand and cash generated by operations is sufficient to meet the capital demands of our current operations for the next year (ending June 30, 2023). While our working capital and current debt indicate a going concern issue, the Company has historically, from time to time, satisfied and may continue to satisfy certain short-term liabilities through the issuance of common stock, thus reducing our cash requirement to meet our operating needs. Any major increases in sales, particularly in new products, may require substantial capital investment. Failure to obtain sufficient capital could materially adversely impact our growth potential.

Overall, there is no guarantee that cash flow from our existing or future operations and any external capital that we may be able to raise will be sufficient to meet our expansion goals and working capital needs.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures reporting as promulgated under the Exchange Act is defined as controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. Disclosure controls and procedures include without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our CEO and our CFO have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2022. Based on their evaluation, our management has concluded that as of June 30, 2022, our disclosure controls and procedures were not effective and there is a material weakness in our internal control over financial reporting. The material weakness relates to the Company lacking sufficient accounting personnel. The shortage of accounting personal resulted in the Company lacking entity level controls around the review of period-end reporting processes, accounting policies and public disclosures. Additionally, the Company's current processes and systems do not provide for necessary, timely reconciliation of certain accounts and sufficient consideration regarding recoverability of certain assets. This deficiency is common in small companies, similar to us, with limited personnel.

Notwithstanding the conclusion by our Chief Executive Officer and Chief Financial Officer that our disclosure controls and procedures as of June 30, 2022, were not effective, and notwithstanding the material weakness in our internal control over financial reporting described below, management believes that the unaudited condensed financial statements and related financial information included in this Quarterly Report fairly present in all material respects our financial condition, results of operations and cash flows as of the dates presented, and for the periods ended on such dates, in conformity with GAAP.

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 accounting personnel.

Limitations on the Effectiveness of Controls

Our management, including our CEO and CFO, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

<u>Part II Other Information</u>

Item 1. Legal Proceedings.

NONE.

Item 1A. Risk Factors

See Risk Factors included in our Annual Report on Form 10-K for 2021.

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

During the nine months ended June 30, 2022 the Company issued an aggregate of 4,481,102 shares of common stock to settle $2,712,500 of notes payable, $353,978 in accrued interest, and $926,646 of excess value of shares issued recorded as interest expense. Additionally, the Company issued another 1,000,000 shares in connection with the issuance of a note payable on February 22, 2022. The fair market value of the shares, $700,400 has been recorded as interest expense on the Company's Condensed Consolidated Statement of Operations and Comprehensive Income/(Loss). 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. (8)
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.(11)
3.10	Certificate of Amendment of Certificate of Incorporation, dated September 7, 2017 (12)
3.11	Certificate of Correction to the Certificate of Amendment to the Amended and Restated Certificate of Incorporation, as amended, of Cemtrex, Inc (6)
3.12	Amended Certificate of Designation of the Series 1 Preferred Shares, dated March 30, 2020.(16)
3.13	Certificate of Amendment of Certificate of Incorporation, dated July 29, 2020 (20)
3.14	Certificate of Correction of Certificate of Incorporation, dated July 29, 2021, filed October 7, 2020 (9)
4.1	Form of Subscription Rights Certificate. (10)
4.2	Form of Series 1 Preferred Stock Certificate. (10)
4.3	Form of Series 1 Warrant. (10)
4.4	Form of Common Stock Purchase Warrant, dated March 22, 2019. (14)
10.1	Amendment of the Term Loan Agreement between Vicon and NIL Funding, dated March 4, 2020.(17)
10.2	Consulting Agreement, dated April 22, 2020 between Centrex, Inc. and Adtron, Inc. (5)
10.3	Securities Purchase Agreement dated June 1, 2020 (18)
10.4	Securities Purchase Agreement dated June 9, 2020 (19)
10.5	Settlement Agreement and Release between Cemtrex, Inc. and Aron Govil dated February 26, 2021 (13)
10.6	Securities Purchase Agreement dated February 22, 2022 (15)
10.7	Amendment of the Term Loan Agreement between Vicon and NIL Funding, dated March 30, 2022. (15)
14.1	Corporate Code of Business Ethics.(4)
21.1*	Subsidiaries of the Registrant
31.1*	Certification of Chief Executive Officer as required by Rule 13a-14 or 15d-14 of the Exchange Act, as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Interim Chief Financial Officer 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 Interim Chief Financial Officer 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*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

*	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	Incorporated by reference from Form S-8 filed on May 1, 20120
6	Incorporated by reference from Form 8-K filed on June 12, 2019.
7	Incorporated by reference from Form 8-K/A filed on November 24, 2017.
8	Incorporated by reference from Form 8-K/A filed on September 26, 2016.
9	Incorporated by reference from Form 10-Q filed on May 28, 2021.
10	Incorporated by reference from Form S-1 filed on August 29, 2016 and as amended on November 4, 2016, November 23, 2016, and December 7, 2016.
11	Incorporated by reference from Form 8-K filed on January 24, 2017.
12	Incorporated by reference from Form 8-K filed on September 8, 2017.
13	Incorporated by reference from Form 8-K filed on February 26, 2021.
14	Incorporated by reference from Form 8-K filed on March 22, 2019.
15	Incorporated by reference from Form 10-Q filed on May 16, 2022.
16	Incorporated by reference from Form 8-K filed on April 1, 2020.
17	Incorporated by reference from Form 8-K filed on March 9, 2020.
18	Incorporated by reference from Form 8-K filed on June 4, 2020.
19	Incorporated by reference from Form 8-K filed on June 12, 2020.
20	Incorporated by reference from Form 10-K filed on January 5, 2021.

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:	August 15, 2022	By:	*/s/ Saagar Govil* Saagar Govil Chief Executive Officer
Dated:	August 15, 2022		*/s/ Paul J. Wyckoff* Paul J. Wyckoff Interim Chief Financial Officer and Principal Financial Officer

EXHIBIT 21.1

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
Advanced Industrial Services, Inc.	Pennsylvania	July 20, 1984 (December 15, 2015)	100%
Cemtrex Advanced Technologies, Inc.	New York	July 11, 2017	100%
Cemtrex Technologies Pvt Ltd.	India	December 21, 2017	100%
Cemtrex XR, Inc.	Nevada	September 10, 2020	100%
Vicon Industries, Inc.	New York	March 23, 2018	95%
Vicon Industries Limited	United Kingdom	March 23, 2018	95%

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: August 15, 2022

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, Paul J. Wyckoff, 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/Paul J. Wyckoff

Paul J. Wyckoff
Interim Chief Financial Officer
and Principal Financial Officer

Dated: August 15, 2022

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 June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Saagar Govil, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

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

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

/s/ Saagar Govil

Saagar Govil
Chief Executive Officer

Dated: August 15, 2022

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 June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul J. Wyckoff, Interim Chief Financial Officer 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/ Paul J. Wyckoff
Paul J. Wyckoff
Interim Chief Financial Officer
and Principal Financial Officer

Dated: August 15, 2022