UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549
FORM 10-Q

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

For the quarterly period ended December 31, 2012
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES ACT OF 1934

For the transition period from ___________to ____________

Commission File Number 000-53238

CEMTREX, INC.
(Exact name of small business issuer as specified in its charter)

Delaware	30-0399914
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

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

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

☒ Yes ☐ No

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of February 11, 2013, the issuer had 40,599,129 shares of common stock issued and outstanding.

CEMTREX, INC.

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Item 1. Financial Statements

Cemtrex, Inc. and Subsidiary
Consolidated Balance Sheets

	(Unaudited) December 31, 2012	September 30, 2012
Assets		
Current Assets		
Cash & Equivalents	$ 4,876	$ 333,045
Accounts Receivable, Net	243,723	293,155
Due from related parties	1,695,000	354,786
Inventory	295,809	250,844
Prepaid Expenses & Other Assets	174,118	393,808
Total Current Assets	2,413,526	1,625,638
Property and equipment, net	17,680	20,466
Due from related parties	—	—
Other	107,763	86,270
Total Assets	**$ 2,538,969**	**$ 1,732,374**
Liabilities & Stockholders' Equity (Deficit)		
Current Liabilities		
Accounts Payable	$ 620,050	$ 320,709
Accrued Expenses	102,260	38,522
Customer deposits	—	—
Total Current Liabilities	722,310	359,231
Non-Current Liabilities		
Notes Payable-Shareholder	757,291	476,458
Total Non-Current Liabilities	1,479,601	835,689
Total Liabilities	**$ 1,479,601**	**$ 835,689**
Commitments & Contingencies	-	-
Stockholders' Equity (Deficit)		
Preferred Stock Series A, $0.001 par value, 10,000,000 shares authorized, 1,000,000 shares issued and outstanding, respectively	$ 1,000	$ 1,000
Common Stock, $0.001 par value, 60,000,000 shares authorized, 40,599,129 and 40,599,129 shares issued and outstanding, respectively	40,599	40,599
Additional Paid-in Capital	165,730	165,730
Retained Earnings (Accumulated Deficit)	852,039	689,356
Total Stockholders' Equity (Deficit)	1,059,368	896,685
Total Liabilities & Stockholders' Equity (Deficit)	**$ 2,538,969**	**$ 1,732,374**

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

Cemtrex, Inc. and Subsidiary
Consolidated Statements of Operations

	(Unaudited) For the Three Months Ended December 31, 2012	2011
Revenues	$ 2,186,332	$ 2,020,916
Cost of Goods Sold	1,679,300	1,403,637
Gross Profit	507,032	617,279
Operating Expenses		
Research and Development	-	-
General and Administrative	262,051	318,618
Total Operating Expenses	262,051	318,618
Operating Income (Loss)	244,981	298,661
Other Income (Expense)		
Other Income	-	-
Interest Expense	(9,466)	(15,364)
Total Other Income (Expense)	(9,466)	(15,364)
Net Income (Loss) Before Income Taxes	235,515	283,297
Provision for Income Taxes	68,600	-
Net Income (Loss)	$ 166,915	$ 283,297
Income (Loss) Per Share-Basic	$ 0.01	$ 0.01
Income (Loss) Per Share-Diluted	$ 0.01	$ 0.01
Weighted Average Number of Shares-Basic	40,599,129	39,822,862
Weighted Average Number of Shares-Diluted	40,599,129	39,822,862

The accompanying notes are an integral part of these financial statements

Cemtrex, Inc. and Subsidiary
Consolidated Statements of Cash Flows

	(Unaudited) For the Three Months Ended December 31, 2012	2011
Cash Flows from Operating Activities		
Net Income (Loss)	$ 166,915	$ 189,562
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation & Amortization	2,786	5,736
Changes in operating assets and liabilities:		
Accounts Receivable	49,432	(640,478)
Accounts receivable from related parties	(1,340,214)	
Inventory	(44,965)	(47,117)
Prepaid Expenses & Other Assets	219,690	(2,749)
Accounts Payable	295,109	62,956
Accrued Expenses	63,738	72,767
Net Cash Used in Operating Activities	(587,509)	**(359,323)**
Cash Flows from Investing Activities		
Purchase of Investment	(21,493)	(15,000)
Net Cash Used in Investing Activities	**(21,493)**	**(15,000)**
Cash Flows from Financing Activities		
Net Loans from Shareholders	280,833	15,507
Repament of convertible debenture	-	—
Common Stock Issued for Cash	-	-
Net Cash Provided by Financing Activities	**280,833**	15,507
Net Increase (Decrease) in Cash	**(328,169)**	**(358,816)**
Cash Beginning of Period	333,045	415,369
Cash End of Period	**$ 4,876**	**$ 56,553**
Supplemental Disclosure of Cash Flow Information:		
Cash Paid during the period for interest	$ -	$ -
Cash Paid during the period for income taxes	-	-

The accompanying notes are an integral part of these financial statements

CEMTREX, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Organization, Business & Operations
Cemtrex, Inc. and its wholly-owned subsidiary Griffin Filters, LLC (collectively the “Company”), is engaged in manufacturing and selling advanced instruments for emission monitoring of particulate, opacity, mercury, sulfur dioxide, nitrogen oxides, etc. Company's products are sold to power plants, refineries, chemical plants, cement plants and other industries including federal and state governmental agencies. Through its wholly-owned subsidiary, Griffin Filters, the Company designs, manufactures and sells air filtration equipment and related systems to a variety of industries.

Cemtrex, Inc. was incorporated as Diversified American Holding, Inc. on April 27, 1998. On December 16, 2004, the Company changed its name to Cemtrex, Inc. On April 30, 2007, Cemtrex, Inc. acquired Griffin Filters, LLC.

Note 2 - Summary of Significant Accounting Policies

This summary of significant accounting policies of Cemtrex Inc. (the Company) is presented to assist in understanding the Company’s financial statements. The financial statements and notes are representations of the Company’s management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Interim financial statements

The accompanying unaudited condensed financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) and should be read in conjunction with the Company’s audited financial statements and footnotes thereto for the year ended September 30, 2012, included in the Company’s Form 10-K filed for the year ended September 30, 2012. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to such rules and regulations. However, the Company believes that the disclosures are adequate to make the information presented not misleading. The financial statements reflect all adjustments (consisting primarily of normal recurring adjustments) that are, in the opinion of management necessary for a fair presentation of the Company’s financial position and results of operations. The operating results for the three months ended December 31, 2012 are not necessarily indicative of the results to be expected for any other interim period of an future year.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Cemtrex, Inc. and its wholly subsidiary Griffin Filters, LLC (collectively the “Company”). All significant inter-company accounts and transactions have been eliminated in consolidation.

Accounting Method
The Company’s financial statements are prepared using the accrual method of accounting. The Company has elected a September 30 year-end.

Cash and cash equivalents

The Company considers all liquid investments with a maturity of three months or less from the date of purchase that are readily convertible into cash to be cash equivalents.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of cash and accounts receivable. The Company places its cash with high quality financial institutions and at times may exceed the FDIC insurance limit. The Company extends credit based on an evaluation of the customer's financial condition, generally without collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure for credit losses and maintains allowance for anticipated losses as required.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect that reported amounts of revenues and expenses during the reporting period. Actual events and results could differ from those assumptions and estimates.

Inventories

Inventories are comprised of replacement parts, system components and finished systems, which are stated at lower of cost or market. Cost is determined on a first-in, first-out (FIFO) basis. A valuation allowance is provided for obsolete and slow-moving inventory to write cost down to market if necessary. As of September 30, 2012 the Company determined that a valuation allowance of $40,000 was required.

Property and Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over their estimated useful lives, generally five to seven years. Leasehold improvements are amortized over the shorter of the useful life or the remaining lease term. Upon retirement or other disposition of these assets, the cost and related accumulated depreciation are removed from the accounts and the resulting gains or losses are reflected in operations. Expenditures for maintenance and repairs are charged to operations as incurred. Renewals and betterments are capitalized.

Impairment of long-lived assets

The Company reviews its long-lived assets and identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When such factors and circumstances exist, management compares the projected undiscounted future cash flows associated with the future use and disposal of the related asset or group of assets to their respective carrying values. Impairment, if any, is measured as the excess of the carrying value over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made. During the three month periods ended December 31, 2012 and 2011 the Company recorded $-0- impairment loss on long-lived assets.

Basic and Diluted Net Income per Share

Basic earnings per share is calculated using the weighted-average number of common shares outstanding during the period without consideration of the dilutive effect of stock warrants and convertible notes. Diluted earnings per share is calculated using the weighted-average number of common shares outstanding during the period after consideration of the dilutive effect of stock warrants and convertible notes.

Revenue recognition

The Company's revenues are generated principally from the sale of its products. Revenue from the sale of products is recognized at the time title, risks and rewards of ownership pass. This is generally when the products reach the free-on-board shipping point, the sales price is fixed and determinable and collection is reasonably assured. When a sales contract qualifies for percentage of completion accounting, the revenue is recognized using the percentage-of-completion method, measured by the percentage of costs incurred to date compared to estimated total costs for each contract. Provisions for estimated losses on contracts in progress are made in the period in which such losses are determined.

Cost of sales

The Company includes all costs directly related to the production of goods for sale in cost of goods sold. The Company classifies direct material, direct labor, production related overheads, freight and distribution costs, and the depreciation and amortization of assets directly used in the production of goods for sale as cost of sales in the statement of operations.

Selling, general and administrative expenses

The Company includes all costs not directly related to the production of goods for sale in selling, general and administrative expenses. These costs include mainly administrative and selling labor, related support materials and the depreciation and amortization of assets used in the administrative and selling functions.

Shipping and Handling Costs

Freight billed to customers is considered sales revenue and the related freight cost as a cost of sales.

Allowance for Doubtful Accounts

We provide an allowance for estimated uncollectible accounts receivable balances based on historical experience and the aging of the related accounts receivable. As of December 31, 2012 and September 30, 2012, the Company has reserved $40,000 and $40,000, respectively, for doubtful accounts.

Advertising

The Company expenses advertising costs as incurred..

Income Taxes

The Company accounts for income taxes under the provisions of FASB ASC 740, "Income Taxes", formerly referenced as SFAS No. 109, "Accounting for Income Taxes". Under the provisions of FASB ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between their financial statement carrying values and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Significant judgment is required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, the Company considers all available evidence including past operating results, estimates of future taxable income, and the feasibility of tax planning strategies. In the event that the Company changes its determination as to the amount of deferred tax assets that can be realized, the Company will adjust its valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

The provision for income taxes at December 31, 2012 and 2011 is as follows:

	2012	2011
Current taxes payable:		
Federal	$ 56,900	$ —
State	11,700	—
Foreign	—	—
	68,600	—
Deferred tax asset:	(—)	(146,691)
Deferred tax valuation allowance	—	146,691
	—	—
Total	$ 68,600	$ —

Reconciliation of the federal statutory income tax rate to the effective income tax rate is as follows:

	2012	2011
U.S. statutory rate	34.0%	34.0%
State income taxes (net of federal benefit)	7.0	7.0
Taxes on foreign income in excess of U.S. tax	—	—
Benefit of net operating loss carryforward	(7,0)	(41.0)
Effective rate	34%	—%

At December 31, 2012 and December 31, 2011 the Company has a net operating loss carryover of approximately $115,000 and $358,000, respectively, which can be carried forward to offset taxable income. Unless used the net operating loss carryforward will expire in 2029.

Fair Value of Financial Instruments

ASC Topic 820, “Fair Value Measurements and Disclosures,” requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 825, “Financial Instruments,” defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest.

The three levels of valuation hierarchy are defined as follows:

· Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.

· Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

· Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Stock-based compensation

The Company records compensation expense associated with stock options and other forms of employee and non-employee equity compensation in accordance with FASB ASC 718, “Compensation – Stock Compensation”, formerly referenced as SFAS 123R, “Share-Based Payment”. The Company estimates the fair value of stock options granted using the Black-Scholes-Merton option-pricing formula and a single option approach. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period.

During the three month periods ended December 31, 2012 and 2011, the Company incurred $-0- and $-0- in stock-based compensation expense, respectively.

Reclassifications

Certain items in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current period’s presentation. These reclassifications have no effect on the previously reported income (loss).

Recently Issued Accounting Pronouncements

In September 2011 and July 2012, the FASB issued amendments to the Intangibles-Goodwill and Other topic of the ASC. Prior to these amendments the company performs a two-step test as outlined by the ASC. Step one of the two-step goodwill and indefinite-lived intangible asset impairment tests is performed by calculating the fair value of the reporting unit or indefinite-lived intangible asset and comparing the fair value with the carrying amount. If the carrying amount of a reporting unit or indefinite-lived intangible asset exceeds its fair value, then the company is required to perform the second step of the impairment test to measure the amount of the impairment loss, if any. Under the amendments, an entity has the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step test. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit or indefinite-lived intangible asset is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. An entity can choose to perform the qualitative assessment on none, some or all of its reporting units and indefinite-lived intangible assets. Moreover, an entity can bypass the qualitative assessment for any reporting unit or indefinite-lived intangible asset in any period and proceed directly to step one of the impairment test, and then resume performing the qualitative assessment in any subsequent period. The amendment is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after Dec. 15, 2011. The company does not anticipate the adoption of this pronouncement will have any effect on the consolidated financial statements.

In June 2011, the FASB issued an amendment to the Comprehensive Income topic of the ASC. This amendment eliminates the option to present the components of other comprehensive income as part of the statement of changes in shareowners’ equity and requires entities to present the components of comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In December 2011, the FASB issued an amendment to the Comprehensive Income topic of the ASC. This amendment deferred the requirement to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income while the FASB deliberates this aspect of the proposal. The amendments do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. The amendments also do not affect how earnings per share is calculated or presented. The guidance, as amended, is effective for interim and annual periods beginning after Dec. 15, 2011, with early adoption permitted. The company does not anticipate the adoption of this pronouncement will have any effect on the consolidated financial statements.

In May 2011, the FASB issued an amendment to the Fair Value Measurement topic of the ASC that includes some enhanced disclosure requirements. The most significant change in disclosures is an expansion of the information required for Level 3 measurements based on unobservable inputs. The amendment is effective for interim and annual periods beginning after Dec. 15, 2011. The company does not anticipate the adoption of this pronouncement will have any effect on the consolidated financial statements.

In September 2011 the Accounting Standards Update No. 2011-08, Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for impairment. This ASU's objective is to simplify the process of performing impairment testing for Goodwill. With this update a company is allowed to asses qualitative factors, first, to determine if it is more likely than not (greater than 50%) that the FV is less than the carrying amount. This would be done, prior to performing the two-step goodwill impairment testing, as prescribed by Topic 350. Prior to this ASU, all entities were required to test, annually, their good will for impairment by Step 1 - comparing the FV to the carrying amount, and if impaired, then step 2 - calculate and recognize the impairment. Therefore, the fair value measurement is not required, until the "more likely than not" reasonableness test is concluded. Effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The company does not anticipate the adoption of this pronouncement will have any effect on the consolidated financial statements.

In May 2011, FASB issued Accounting Standards Update No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. This ASU clarifies the board's intent of current guidance, modifies and changes certain guidance and principles, and adds additional disclosure requirements concerning the 3 levels of fair value measurements. Specific amendments are applied to FASB ASC 820-10-35, Subsequent Measurement and FASB ASC 820-10-50, Disclosures. This ASU is effective for interim and annual periods beginning after December 15, 2011. The company does not anticipate the adoption of this pronouncement will have any effect on the consolidated financial statements.

In June 2011, FASB issued Accounting Standards Update No. 2011-05, Comprehensive Income (Topic 220): Presentation of Comprehensive Income. - ASU 2011-05. Current US GAAP allows companies to present the components of comprehensive income as a part of the statement of changes in stockholders' equity. This ASU eliminates that option. in this Update, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income This ASU is effective interim and annual periods beginning after December 15, 2011. This ASU should be applied retrospectively. There are no specific transition disclosures

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the consolidated financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Note 3 - Property and Equipment

At December 31, 2012 and September 30, 2012, property and equipment are comprised of the following:

	Dec. 31 2012	Sept. 30 2012
Furniture and Office Equipment	$ 83,687	$ 83,687
Computer Software	4,631	4,631
Machinery and Equipment	78,392	78,392
Less: Accumulated Depreciation	(149,030)	(146,224)
Net Property and Equipment	$ 17,680	$ 20,466

Depreciation for the three months ended December 31, 2012 and 2011 was $2,786 and $5,736, respectively.

Note 4 – Prepaid Expenses and Other Current Assets

At December 31, 2012 and, September 30, 2012, prepaid expenses and other current assets are comprised of the following:

	Dec. 31 2012	Sept. 30 2012
Deposits on inventory	$ 174,118	$ 393,808

Note 5 – Note Payable – Officer

Notes Payable to Arun Govil, the Company's former Chief Executive Officer total $757,291 and $476,458 at December 31, 2012 and September 30, 2012 and accrues interest at 5% per annum. The note payable is unsecured and has no due date.

Note 6 – Bank Line of Credit

On Feb 1, 2010, Cemtrex entered into a $250,000 Commercial line of Credit with JP Morgan Chase Bank. The note carries a variable interest rate at 3.75% over the LIBOR rate, with an interest rate of 4.00625% at September 30, 2010. Accrued interest and fees are payable monthly, with the entire principle balance due at maturity on February 1, 2011. At December 31, 2012 and September 30, 2012 the balance due on the line of credit was $-0-.

Note 7– Stockholders' Equity

Series A Preferred Stock

The Company is authorized to issue 10,000,000 shares of Series A Preferred Stock, $0.001 par value. As of September 30, 2011 and September 30, 2010, there were 1,000,000 shares issued and outstanding, respectively.

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

On September 8, 2009, the Company issued 1,000,000 Series A Preferred Shares to Arun Govil, the former Chief Executive Officer of the Company, in conjunction with the of the conversion of a convertible note (see Note 7).

Common Stock

The Company is authorized to issue 60,000,000 shares of common stock, $0.001 par value. As of December 31, 2012 and September 30, 2012, there were 40,599,129 shares issued and outstanding, respectively.

On September 8, 2009, the Company issued 2,500,000 common shares to Arun Govil, the former Chief Executive Officer of the Company, in conjunction with the of the conversion of a convertible note (see Note 7). In addition, the Company issued 2,895,000 common shares for cash totaling $8,525.

During the fiscal year ended September 30, 2012 the Company issued 776,000 shares of common stock for proceeds of $100,000.

Note 8 – Commitments & Contingencies

Lease Obligations

The Company leases its principal office at Farmingdale, New York, 4,000 square feet of office and warehouse/shop space in a single story commercial structure on a month to month lease from Ducon Technologies Inc., at a monthly rental of $4,000.

The Company's subsidiary Griffin Filters LLC leases approx. 10,000 sq. ft. of office and warehouse space in Liverpool, New York from a third party in a five year lease at a monthly rent of $4,225 expiring on March 31, 2012. At December 31, 2012 , with the same lease contract but less area of footage, the new monthly rent is now $2,200.00.

Legal Proceedings

The Company is not currently involved in any lawsuits or litigation.

Note 9– Concentrations and Related Party Transactions

The Company has operations in the United States and India. Sales in the United States totaled $421,832 and $1,179,416 for the three months December 31, 2012, and 2011, respectively. Sales in India totaled $1,764,500 and $841,500 for the three months ended December 31, 2012 and 2011, respectively.

The Company's net assets in India totaled $-0- and $-0- at December 31, 2012 and 2011, respectively.

The Company had sales to Ducon Technologies, Inc., a related party, totaling $1,764,500 and $841,500 for the three month periods ended December 31, 2012 and 2011, respectively. The accounts receivable from Ducon Technologies, Inc. totaled $1,695,000 at December 31, 2012 and $354,786 at September 30, 2012.

The Company has prepaid Ducon Technologies, Inc. a related party in the amount of $174,118 and $393,808 for supplies at December 31, 2012 and September 30, 2012.

The Company has made an investment in Pluto Technologies, Inc. in the amount of $102,021 as of December 31, 2012 and $80,000 as of September 30, 2012. Mr. Sagar Govil, the Chief Executive Officer of the Company, is also the Chief Executive Officer of Pluto Technologies, Inc.

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

FORWARD-LOOKING STATEMENTS

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

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

OVERVIEW

Cemtrex Inc. ("Cemtrex" or the "Company") is a Delaware corporation that designs, engineers, assembles and sells emission monitoring equipment and instruments through its MIP division to measure opacity, mercury, sulfur oxides, hydrocarbons, nitrogen oxides, ammonia, carbon dioxide and oxygen in flue gases discharging the stacks in industries such as: chemicals, pulp and paper, steel, power, cement, coal and petrochemical. Cemtrex also markets technologies for controlling greenhouse gases such as Methane from coal mines. The Company sells air filtration and environmental control products through its subsidiary Griffin Filters LLC.

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

The Company designs, engineers, assembles and sells emission monitoring equipment and instruments to the chemicals, pulp and paper, steel, power, coal and petrochemical industries, as well as to municipalities, hospitals, and state and federal governments. Our emission monitoring systems are installed at the exhaust stacks of industrial facilities and are used to measure the outlet flue gas concentrations of regulated pollutants, such as sulfur dioxide, hydrogen chloride, hydrogen sulfide, nitrous oxides, ammonia, nitrogen oxide, carbon dioxide, carbon monoxide and other regulated pollutants. Through use of our equipment and instrumentation, our clients can monitor the exhausts to the atmosphere from their facilities and comply with Environmental Protection Agency and state and local emission regulations on dust, particulate, fumes, acid gases and other regulated pollutants into the atmosphere.

INDUSTRY BACKGROUND

The market for environmental control systems and emission monitoring technologies is directly dependent upon governmental regulations and their enforcement. During the past three decades, federal, state and local governments have realized the contaminated air poses significant threats to public health and safety, and, in response, have enacted legislation designed to curb emissions of a variety of air pollutants. Management believes that the existence of governmental regulations creates demand for Company's emission monitoring equipment and environmental control systems.

These governmental regulations affect nearly every industrial activity. The principal federal legislation that was created is the Clean Air Act of 1970, as amended (the Clean Air Act). This legislation requires compliance with ambient air quality standards and empowers the Environmental Protection Agency (EPA) to establish and enforce limits on the emissions of various pollutants from specific types of facilities. The states have primary responsibility for implementing these standards and, in some cases, have adopted standards more stringent than those established by the EPA. In 1990, amendments to the Clean Air Act were adopted which address, among other things, the country acid rain problem by imposing strict control on the emissions of sulfur dioxide from power plants. During 1997, EPA approved regulations for ozone related emissions and in 1998 EPA issued regulations requiring utilities in 22 states to significantly reduce Nitrogen oxides emissions.

According to certain scientists, the Earth's surface has risen in temperature by about 1 degree Fahrenheit in the past century. There is increasing evidence that certain human activities are contributing to this change in temperature through activities that increase the levels of greenhouse gases, primarily carbon dioxide, methane, and nitrous oxide, in the atmosphere. Greenhouse gases trap heat that would normally escape back into the atmosphere, thus increasing the earth's natural greenhouse effect and increasing temperature over time.

The earth's climate is predicted by certain scientists to change because human activities are altering the chemical composition of the atmosphere through the buildup of greenhouse gases—primarily carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (NO_x). The heat-trapping property of these gases is undisputed. Although uncertainty exists about exactly how earth's climate responds to these gases, global temperatures are rising.

EPA Clean Air market Programs

EPA's Clean air market programs include various market-based regulatory programs designed to improve air quality. Clean air markets include various market-based regulatory programs designed to improve air quality by reducing outdoor concentrations of fine particles, sulfur dioxide, nitrogen oxides, mercury, ozone and other significant air emissions. The most well-known of these programs are EPA's Acid Rain Program and the NO_x Trading Programs, which reduce emissions of sulfur dioxide (SO_2) and nitrogen oxides (NO_x)–compounds produced by fossil fuel combustion.

Acid Rain Program

The goal of the Acid Rain Program is to achieve significant environmental and public health benefits through reductions in emissions of sulfur dioxide (SO_2) and nitrogen oxides (NO_x), the primary causes of acid rain. To achieve this goal at the lowest cost to society, the program employs both traditional and innovative, market-based approaches for controlling air pollution. In addition, the program encourages energy efficiency and pollution prevention.

"Acid rain" is a broad term referring to a mixture of wet and dry deposition (deposited material) from the atmosphere containing higher than normal amounts of nitric and sulfuric acids. The precursors, or chemical forerunners, of acid rain formation result from both natural sources, such as volcanoes and decaying vegetation, and man-made sources, primarily emissions of SO_2 and NO_x resulting from fossil fuel combustion. In the United States, roughly 2/3 of all SO_2 and 1/4 of all NO_x come from electric power generation that relies on burning fossil fuels, like coal. Acid rain occurs when these gases react in the atmosphere with water, oxygen, and other chemicals to form various acidic compounds. The result is a mild solution of sulfuric acid and nitric acid. When sulfur dioxide and nitrogen oxides are released from power plants and other sources, prevailing winds blow these compounds across state and national borders, sometimes over hundreds of miles.

NOx Trading Program

The goal of the NOx Trading Program is to reduce the transport of ground-level ozone across large distances. The Ozone Transport Commission (OTC) NO_x Budget Program was implemented from 1999 to 2002 and was replaced by the NO_x Budget Trading Program—also known as the "NO_x SIP Call"—in 2003. The NO_x SIP Call Program is a market-based cap and trade program created to reduce emissions of nitrogen oxides (NO_x) from power plants and other large combustion sources in the eastern United States. NOx is a prime ingredient in the formation of ground-level ozone (smog), a pervasive air pollution problem in many areas of the eastern United States. The NO_x Budget Trading Program was designed to reduce NO_x emissions during the warm summer months, referred to as the ozone season, when ground-level ozone concentrations are highest.

Clean Air Interstate Rule (CAIR)

On March 10, 2005, EPA issued the Clean Air Interstate Rule (CAIR). This rule provides states with a solution to the problem of power plant pollution that drifts from one state to another. CAIR covers 28 eastern states and the District of Columbia. The rule uses a cap and trade system to reduce the target pollutants—sulfur dioxide (SO_2) and nitrogen oxides (NO_x)—by 70 percent.

The goal of the Clean Air Interstate Rule (CAIR) is to permanently cap emissions of SO_2 and NO_x in the eastern U.S. States must achieve the required emission reductions using one of two compliance options: (1) meet the state's emission budget by requiring power plants to participate in an EPA-administered interstate cap and trade system, or (2) meet an individual state emissions budget through measures of the state's choosing.

EPA Emission Monitoring Requirements

EPA's emissions monitoring requirements are designed to ensure the compliance with its current regulations pursuant to various programs. The emission monitoring requirements ensure that the emissions data collected is of a known, consistent, and high quality, and that the mass emissions data from source to source are collected in an equitable manner. This is essential to support the Clean Air Markets Program's mission of promoting market-based trading programs as a means for solving air quality problems

Continuous emissions monitoring (CEM) is instrumental in ensuring that the mandated reductions of SO_2, NO_x mercury and other pollutants are achieved. While traditional emissions limitation programs have required facilities to meet specific emissions rates, the current Program requires an accounting of each ton of emissions from each regulated unit. Compliance is then determined through a direct comparison of total annual emissions reported by CEM and allowances held for the unit.

CEM is the continuous measurement of pollutants emitted into the atmosphere in exhaust gases from combustion or industrial processes. EPA has established requirements for the continuous monitoring of SO_2, volumetric flow, NO_x, diluent gas, and opacity for units regulated under the Acid Rain Program. In addition, procedures for monitoring or estimating carbon dioxide (CO_2) are specified. The CEM rule also contains requirements for equipment performance specifications, certification procedures, and recordkeeping and reporting.

The Acid Rain Program uses a market-based approach to reduce SO_2 emissions in a cost-effective manner. (One allowance is an authorization to emit 1 ton of SO_2 during or after a specified calendar year; a utility may buy, sell, or hold allowances as part of its compliance strategy.) Complete and accurate emissions data are key to implementing this market-based approach.

An essential feature of smoothly operating markets is a method for measuring the commodity being traded. The CEM data supplies the gold standard to back up the paper currency of emissions allowances. The CEM requirement, management believes, instills confidence in the market-based approach by verifying the existence and value of the traded allowance.

The owner or operator of a unit regulated under the Acid Rain Program must install CEM systems on the unit unless otherwise specified in the regulation. CEM systems include:
An SO_2 pollutant concentration monitor.
A NO_x pollutant concentration monitor.
A volumetric flow monitor.
An opacity monitor.
A diluent gas (O_2 or CO_2) monitor.
A computer-based data acquisition and handling system (DAHS) for recording and performing calculations with the data.

All CEM systems must be in continuous operation and must be able to sample, analyze, and record data at least every 15 minutes. All emissions and flow data will be reduced to 1-hour averages. The rule specifies procedures for converting the hourly emissions data into the appropriate units of measure.

The following is a summary of monitoring method requirements and options:

All existing coal-fired units serving a generator greater than 25 megawatts and all new coal units must use CEMs for SO_2, NO_x, flow, and opacity.
Units burning natural gas may determine SO_2 mass emissions by: (1) measuring heat input with a gas flowmeter and using a default emission rate; or (2) sampling and analyzing gas daily for sulfur and using the volume of gas combusted; or (3) using CEMs.
Units burning oil may monitor SO_2 mass emissions by one of the following methods:
daily manual oil sampling and analysis plus oil flow meter (to continuously monitor oil usage)
sampling and analysis of diesel fuel oil as-delivered plus oil flow meter
automatic continuous oil sampling plus oil flow meter
SO_2 and flow CEMs.
Gas-fired and oil-fired base-loaded units must use NO_x CEMs.
Gas-fired peaking units and oil-fired peaking units may either estimate NO_x emissions by using site-specific emission correlations and periodic stack testing to verify continued representativeness of the correlations, or use NO_x CEMS. The emission correlation method has been significantly streamlined in the revised rule.
All gas-fired units using natural gas for at least 90 percent of their annual heat input and units burning diesel fuel oil are exempt from opacity monitoring.

For CO_2 all units can use either (1) a mass balance estimation, or (2) CO_2 CEMs, or (3) O_2 CEMs in order to estimate CO_2 emissions.

PRODUCTS

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

The current products include the following:

Opacity monitor: Compliance & non-compliance types

Management believes that the Company's Laser Opacity monitor provides the highest accuracy and long-term reliability available for stack opacity and dust measurements. An EPA-compliant monitoring system, the monitor is a lightweight, efficient solution for determining opacity or dust concentration in stack gases. Proven in many installations worldwide, it advances the state of opacity monitoring with higher levels of accuracy, flexible installation and reduced long-term maintenance

Extractive Continuous Emission Monitors (CEMS)

Cemtrex provides **direct-extractive** and **dilution-extractive** CEMS equipment & systems that are applicable for utilities, industrial boilers, FGD systems, SCR-NOx control, furnaces, gas turbines, process heaters, incinerators, and process controls. In addition to traditional CEMS designed for maximum reliability and minimal maintenance in monitoring criteria pollutants, the Company can also accurately quantify other gaseous compounds through in-situ or extractive FTIR systems. The Company's Extractive CEMS can be configured to monitor for one or all of the following: • NOx • SO2 • CO2 • O2 • CO • THC • Mercury • H2S • HCl & HF Acid • NH3 • Particulate • Opacity • Volumetric Flow and Moisture.

Ammonia Analyzer

The flue gas stream which contains ammonia, nitrogen oxides and in some cases sulfur dioxide utilize Ultra Violet radiation techniques for measurements. All these components absorb UV radiation, and therefore can be monitored by process analyzers that utilize UV absorbance techniques for detection.

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

SUPPLIERS

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

PARTS, REPAIR AND REFURBISHMENT SERVICES

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

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

COMPETITION

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

We obtain virtually all our contracts through competitive bidding. Although price is an important factor and may in some cases be the governing factor, it is not always determinative, and contracts are often awarded on the basis of the efficiency or reliability of products and the engineering and technical expertise of the bidder. Several companies market products that compete directly with our products. Other companies offer products that potential customers may consider to be acceptable alternatives to our products and services. We face direct competition from companies with far greater financial, technological, manufacturing and personnel resources, including Thermo Fisher Scientific Inc., Tekran Instruments Corporation, Altech Environment USA, Shaw Group, and Horiba Instruments Inc. in the emissions monitoring business.

INTELLECTUAL PROPERTY

Over the years, the Company has developed proprietary technologies that give us an edge in competing with its competitors. Thus, the Company relies on a combination of trade secrets and know-how to protect its intellectual property. The Company has not filed any patents.

MARKETING

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

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

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

CUSTOMERS

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

On most projects, the Company is responsible to its customers for all phases of the design, assembly, supply and, if included, field installation of its products and systems. The successful completion of a project is generally determined by a successful operational test of the supplied equipment conducted by our field service technician in the presence of the customer.

TECHNOLOGY

The Company has developed a broad range of emission monitoring technological base. The Company’s equipment and instruments are used to measure: (i) particulate, carbon dioxide, nitrogen oxides, and sulfur dioxide from coal-fired power plants, (ii) particulate from cement plants, (iii) hydrocarbons, particulate and sulfur dioxide from refineries, (iv) hydrogen sulfide, carbon monoxide, ammonia, hydrocarbons and other regulated pollutants from chemical plants, steel plants, incinerators and other industrial exhausts. Our emission monitors are capable of meeting all current federal and local emission monitoring standards. Company also markets technologies for control of Methane from coal mines. The Company has not filed any patents with respect to its technology.

BONDING AND INSURANCE

While only a very few of our contracts require the Company to procure bid and performance bonds, such requirements are prevalent for large projects or projects partially or fully funded by federal, state or local governments. A bid bond guarantees that a bidder will execute a contract if it is awarded the job and a performance bond guarantees performance of the contract. The Company does not presently have a bank credit line to back bid or performance bonds. Thus, the Company cannot bid on certain contracts.

In certain cases, the Company is able to secure large contracts by accepting progress payments with retention provisions in lieu of bonds.

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

GOVERNMENT REGULATION

Significant environmental laws, particularly the Federal Clean Air Act, have been enacted in response to public concern about the environment. The Company believe that compliance with and enforcement of these laws and regulations create the demand for our products and systems and largely determine the level of expenditures that customers will make to monitor the emissions from their facilities. The Federal Clean Air Act, initially adopted in 1970 and extensively amended in 1990, requires compliance with ambient air quality standards and empowers the EPA to establish and enforce limits on the emission of various pollutants from specific types of industrial facilities. States have primary responsibility for implementing these standards, and, in some cases, have adopted more stringent standards.

The 1990 amendments to the Federal Clean Air Act require, among other matters, reductions in the emission of sulfur oxides, believed to be the cause of "acid rain," in the emission of 189 identified hazardous air pollutants and toxic substances and the installation of equipment and systems which will contain certain named toxic substances used in industrial processes in the event of sudden, accidental, high-volume releases. Such amendments also extend regulatory coverage to many facilities previously exempt due to their small size and require the EPA to identify those industries which will be required to install the mandated control technology for the industry to reduce the emission of hazardous air pollutants from their respective plants and facilities. The Montreal Protocol, adopted in 1987, as well as EPA regulations issued in 1992, call for the phase-out of CFCs. In addition, regulations promulgated by the EPA in 1993 further limit the concentration of pollutants, such as hydrogen chloride, sulfur dioxide, chlorine, heavy metals and hazardous solid substances in the form of extremely fine dust, from sewage sludge incinerators. Sewage sludge facilities are required to comply with these regulations. Compliance with all these regulations can only be achieved by first monitoring the pertinent emission levels.

EMPLOYEES

The Company employs eleven (11) full time and three part time employees, consisting of three executive officers, three managers, three (3) technical engineers, and one clerical and administrative support persons. None of our employees are represented by a labor union. In addition, the Company utilizes commission sales personnel and contract design engineers, on an as needed basis. There are no employment agreements.

FACILITIES

The Company does not own any real estate. The Company leases its principal office at Farmingdale, New York, 4,000 square feet of office and warehouse/shop space in a single story commercial structure on a month to month lease from Ducon Technologies Inc., at a monthly rental of $4,000.00. The Company's subsidiary Griffin Filters LLC leases approx. 10,000 sq. ft. of office and warehouse space in Liverpool, New York from a third party in a five year lease at a monthly rent of $ 2,850.00 expiring on March 30, 2012. At December 31, 2012 the new monthly rent is now $2,200, which is pursuant to the same lease contract but covering less square footage. The Company has no plans to acquire any property in the immediate future. The Company believes that its current facilities are adequate for its needs through the next nine months, and that, should it be needed, suitable additional space will be available to accommodate expansion of the Company's operations on commercially reasonable terms, although there can be no assurance in this regard. There are no written agreements

FINANCIAL CONDITION

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

For the three month period ended December 31, 2012, we generated revenues of $2,186,332 which is an increase of $165,416 from the three month period ended December 31, 2011. For the three month period ended December 31, 2012, we generated a net profit of $507,032. For the three month period ended December 31, 2011, we had a net profit of $617,279. The following table summarizes these results:

	For the Three months Ended December 31	
	2012	2011
Revenues	$ 2,186,332	$ 2,020,916
Operating Expenses	262,051	318,618
Net Income	507,032	617,729
Income Per Share-Basic and Diluted	0.01	0.01
Weighted Average Number of Shares	40,599,129	39,822,862

	As at December 31 2012	As at September 30 2012
Current Assets	$ 2,413,526	$ 1,625,638
Total Assets	$ 2,538,969	$ 1,732,374
Total Liabilities	$ 1,479,601	$ 835,689
Total Stockholders' Equity	$ 1,059,368	$ 896,685

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The following discussion and analysis is based upon our consolidated financial statements that have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of our financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, and assets and liabilities during the periods reported. Estimates are used when accounting for certain items such as revenues, allowances for returns, early payment discounts, customer discounts, doubtful accounts, employee compensation programs, depreciation and amortization periods, taxes, inventory values, and valuations of investments, goodwill, other intangible assets and long-lived assets. We base our estimates on historical experience, where applicable and other assumptions that we believe are reasonable under the circumstances. Actual results may differ from our estimates under different assumptions or conditions. We believe that the following critical accounting policies affect our more significant judgments and estimates used in preparation of our consolidated financial statements.

We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. We base our estimates on the aging of our accounts receivable balances and our historical write-off experience, net of recoveries.

We value our inventories at the lower of cost or market. We write down inventory balances for estimated obsolescence or unmarketable inventory equal to the difference between the cost of the inventory and the estimated market value based upon assumptions about future demand and market conditions.

Goodwill is reviewed for possible impairment at least annually or more frequently upon the occurrence of an event or when circumstances indicate that the Company's carrying amount is greater than the fair value. In accordance with SFAS 142, the Company examined goodwill for impairment and determined that the Company's carrying amount did not exceed the fair value, thus, there was no impairment.

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

RESULTS OF OPERATIONS

Three Month Period ending December 31, 2012 compared to Three Month Period ending December 31, 2011

Net Sales: Net sales for three months ended December 31, 2012 increased by $165,416 or 8.18% to $2,186,332 from $2,020,916 for the three months ended December 31, 2011. Sales growth increased during the three months period ended December 31, 2012 primarily due to large contracts by Griffin Filters.

Gross Profit: Gross Profit for the three months ended December 31, 2012 was $507,032 which made up 23.19% of net sales as compared to Gross profit of $617,279 for the three months ended December 31, 2011 which was 30.54% of net sales. The decrease in Gross margin in the three months ended December 31, 2012 was a direct result of the lower gross margin jobs booked and shipped by the Company.

Operating Expenses: Operating expenses for the three months ended December 31, 2012 decreased $56,567 or 17.75% to $262,051 from $318,618 for the three months ended December 31, 2011. Operating expenses as percentage of sales decreased in the three month period ended December 31, 2012 to 11.98% from 15.76% in the three month period ended December 31, 2011. The decrease in operating expenses in the current quarter were primarily due to less selling and general expenses as a result of poor market conditions.

Net Income/Loss: The Company had net profit of $235,515 before provision for Income tax of $68,600 which is 10.77% of net sales, for the three month period ended December 31, 2012 as compared to a net income of $283,297 for the three month ended December 31, 2011 which was 14.01% of net sales. The profit in the current quarter decreased as compared to income the previous quarter a year ago, was a result of lower gross margin sales and less in selling and general expenses by the Company.

Provisions for Income Taxes: The income tax provision for this three month period ended December 31, 2012 is $68,600.

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 $1,691,216 at December 31, 2012 compared to $1,266,407 at September 30, 2012. This includes cash and cash equivalent of $4,876 at December 31, 2012 and $333,045 at September 30, 2012, respectively.

Trade receivables decreased $49,432 or 16.86% at December 31, 2012 to $243,723 from $293,155 as at September 30, 2012. The decreased in accounts receivable is attributable to terms and timing of order shipments and large contracts by Griffin Filters.

Inventories increased $44,965 or 17.92% to $295,809 at December 31, 2012 from $250,844 as at September 30, 2012. The increase in inventory was due relatively to more purchase of inventory and more shipments of ongoing jobs and contracts.

Continuing operations provided ($587,509) of cash for the three months ended December 31, 2012, compared to usage ($359,323). The increase in cash flows was primarily related to collection of account receivables timing. Investing activities for continuing operations generated $21,493 of cash during the three months ended December 31, 2012, compared to use of $15,000 during the three months ended December 31, 2011. The Financing activities during the three months ended December 31, 2012 used up $280,833 in cash from repayment of loans to shareholder and provided $15,507 in cash for the three month period ended December 31, 2011 from loan proceeds.

We believe that our cash on hand, cash generated by operations, is sufficient to meet the capital demands of our current operations during the 2013 fiscal year (ending September 30, 2013). Any major increase in sales, particularly in new products, may require substantial capital investment. Failure to obtain sufficient capital could materially adversely impact our growth potential.

OUTLOOK

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

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

We currently also notice increased nationwide awareness for energy efficiency and hence anticipate that there will be greater interest in our Green DCV products. Additionally we decreased our marketing expenses for Green DCV due to a change in deployment strategy shifting away from marketing to end users and focusing on resellers. We have entered into an agreement with a company in India for the installation of Green DCV systems in many buildings throughout the country. Presently the contract is in preliminary planning stages and no revenue has been recognized from this contract.

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

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

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

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

Item 3. Quantitative & Qualitative Disclosures about Market Risks

Not applicable.

Item 4. Controls and Procedures

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

Evaluation of Controls and Procedures

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

As of December 31, 2012, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our Chief Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective.

Changes in Internal Controls

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

Limitations on the Effectiveness of Controls

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

Part II Other Information

Item 1. Legal Proceedings

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

Item 1A Risk Factors

Not required

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

None.

Item 3. Defaults upon Senior Securities:

None

Item 5. Other Information:

None

Item 6. Exhibits

31.1 (2)	Certification of Chief Executive Officer as required by Rule 13a-14 or 15d-14 of the Exchange Act, as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 (2)	Certification of Vice President of Finance and Principal Financial Officer as required by Rule 13a-14 or 15d-14 of the Exchange Act, as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1(2)	Certification of Chief Executive Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 (2)	Certification of Vice President of Finance and Principal Financial Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act 0f of 2002.

Signatures

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

	CEMTREX, INC. (Registrant)	
Dated: February 14, 2013	By	/s/ Saagar Govil Saagar Govil, Chief Executive Officer and President (Principal Executive Officer)
Dated: February 14, 2013	By	/s/ Renato Dela Rama Renato Dela Rama, Vice President of Finance (Principal Financial Officer)

EXHIBIT 31.1

Certification of PRINCIPAL Executive Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, I, Saagar Govil, certify that:

1. I have reviewed this report on Form 10-Q of Cemtrex, Inc., for the fiscal quarter ended December 31, 2012;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 14, 2013

/s/ Saagar Govil
Saagar Govil
Chief Executive Officer, Principle Executive Officer

EXHIBIT 31.2

Certification of PRINCIPAL FINANCIAL Officer

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

1. I have reviewed this report on Form 10-Q of Cemtrex, Inc., for the fiscal quarter ended December 31, 2012;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls over financial reporting.

Date: February 14, 2013

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

EXHIBIT 32.1

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

In connection with the quarterly report of Cemtrex, Inc. (the "Company") on Form 10-Q for the quarter ended December 31, 2012, 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
and Principal Executive Officer
February 14, 2013

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

EXHIBIT 32.2

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

In connection with the quarterly report of Cemtrex, Inc. (the "Company") on Form 10-Q for the quarter ended December 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Renato Dela Rama, principal financial officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

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

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

/s/ Renato Dela Rama
Renato Dela Rama
Principal Financial Officer
February 14, 2013

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