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

FORM 10-Q

(Mark One)

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

For the quarterly period ended July 31, 2017

OR

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

For the transition period from ______________ to ______________

Commission File Number 001-38154

CODA OCTOPUS GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of Incorporation or organization)	34-200-8348 (I.R.S. Employer Identification Number)
W Sand Lake Road, Suite 500, Orlando, Florida (Address of principal executive offices)	32819 (Zip Code)
Registrant's telephone number, including area code:	(863) 937 8985

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 [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one): [ ]

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

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

The number of shares outstanding of issuer's common stock, $0.001 par value as of September 14, 2017 is 9,122,728.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Condensed Consolidated Financial Statements
For the Three and Nine Months Ended July 31, 2017 and 2016

Contents

CODA OCTOPUS GROUP, INC.
Condensed Consolidated Balance Sheets
July 31, 2017 and October 31, 2016

ASSETS

		2017 Unaudited		2016
CURRENT ASSETS				
Cash and Cash Equivalents	$	6,996,329	$	5,601,767
Restricted Cash		-		13,694
Accounts Receivables, Net		2,533,470		3,274,204
Inventory		2,897,767		2,598,925
Unbilled Receivables		3,733,116		3,406,693
Other Current Assets		381,997		140,954
Prepaid Expenses		205,180		112,884
Total Current Assets		16,747,859		15,149,121
FIXED ASSETS				
Property and Equipment, net		5,459,517		3,840,500
OTHER ASSETS				
Other Assets		10,663		96,374
Goodwill and Other Intangibles, net		3,704,725		3,749,525
Total Other Assets		3,715,388		3,845,899
Total Assets	$	25,922,764	$	22,835,520

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

CODA OCTOPUS GROUP, INC.
Condensed Consolidated Balance Sheets (Continued)
July 31, 2017 and October 31, 2016

LIABILITIES AND STOCKHOLDERS' EQUITY

	2017 Unaudited	2016
CURRENT LIABILITIES		
Accounts Payable	$ 1,525,523	$ 1,396,475
Accrued Expenses and Other Current Liabilities	545,272	794,067
Loans and Note Payable, current	3,187,932	846,994
Deferred Revenues	267,369	464,541
Total Current Liabilities	5,526,096	3,502,077
LONG-TERM LIABILITIES		
Deferred revenue, long term	48,511	-
Loans and Note Payable, long term	5,453,792	9,178,930
Total Long-Term Liabilities	5,502,303	9,178,930
Total Liabilities	11,028,399	12,681,007
STOCKHOLDERS' EQUITY		
Preferred stock, Series C, $.001 par value; 5,000,000 shares authorized 1,000 and 1,100 issued and outstanding, as of July 31, 2017 and October 31, 2016, respectively	1	1
Common stock, $.001 par value; 150,000,000 shares authorized, 9,122,728 and 9,094,156 shares issued and outstanding as of July 31, 2017 and October 31, 2016, respectively	9,122	9,094
Additional paid-in capital	52,792,357	52,805,455
Accumulated other comprehensive loss	(1,556,243)	(2,337,437)
Accumulated deficit	(36,350,872)	(40,322,600)
Total Stockholders' Equity	14,894,365	10,154,513
Total Liabilities and Stockholders' Equity	$ 25,922,764	$ 22,835,520

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

CODA OCTOPUS GROUP, INC.
Condensed Consolidated Statements of Income and Comprehensive Income
For the Periods Indicated
Unaudited

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2017	**2016**	**2017**	**2016**
Net Revenues	$ 5,043,590	$ 4,278,660	$ 15,680,551	$ 14,800,474
Cost of Revenues	1,982,761	1,432,673	5,979,746	6,210,673
Gross Profit	3,060,829	2,845,987	9,700,805	8,589,801
OPERATING EXPENSES				
Research & Development	200,118	292,855	699,106	708,146
Selling, General & Administrative	1,717,264	1,284,916	4,741,968	4,448,009
Total Operating Expenses	1,917,382	1,577,771	5,441,074	5,156,155
INCOME FROM OPERATIONS	1,143,447	1,268,216	4,259,731	3,433,646
OTHER INCOME (EXPENSE)				
Other Income	89,931	50,115	204,914	155,777
Interest Expense	(112,089)	(217,471)	(496,430)	(616,509)
Total Other Income (Expense)	(22,158)	(167,356)	(291,516)	(460,732)
NET INCOME BEFORE INCOME TAXES	1,121,289	1,100,860	3,968,215	2,972,914
INCOME TAX BENEFIT	3,513	-	3,513	-
NET INCOME	$ 1,124,802	$ 1,100,860	$ 3,971,728	$ 2,972,914
NET INCOME PER SHARE:				
Basic	$ 0.12	$ 0.16	$ 0.44	$ 0.44
Diluted	$ 0.12	$ 0.12	$ 0.43	$ 0.33
WEIGHTED AVERAGE SHARES:				
Basic	9,110,674	6,741,330	9,104,890	6,741,330
Diluted	9,310,674	8,941,330	9,304,890	8,941,330
NET INCOME	$ 1,124,802	$ 1,100,860	$ 3,971,728	$ 2,972,914
Other Comprehensive Income (Loss):				
Foreign currency translation adjustment	13,307	(1,107,355)	781,194	(1,879,556)
Total Other Comprehensive Income (Loss)	13,307	(1,107,355)	781,194	(1,879,556)
COMPREHENSIVE INCOME (LOSS)	$ 1,138,109	$ (6,495)	$ 4,752,922	$ 1,093,358

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

CODA OCTOPUS GROUP, INC.
Condensed Consolidated Statement of Changes in Stockholders' Equity
For the Nine Months Ended July 31, 2017
Unaudited

	Preferred Stock Series C		Common Stock		Additional Paid-in	Accumulated Other Comprehensive	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Income (Loss)	Deficit	Total
Balance, October 31, 2016 (Audited)	1,100	$ 1	9,094,156	$ 9,094	$ 52,805,455	$ (2,337,437)	$(40,322,600)	$ 10,154,513
Stock Issued to Consultant	-	-	14,286	14	25,486	-	-	25,500
Stock Issued to Board of Directors	-	-	14,286	14	61,416	-	-	61,430
Redemption of Series C Preferred stock	(1,100)	(1)	-	-	(1,099,999)	-	-	(1,100,000)
Issuance of Series C Preferred Stock	1,000	1	-	-	999,999	-	-	1,000,000
Foreign currency translation adjustment	-	-	-	-	-	781,194	-	781,194
Net Income	-	-	-	-	-	-	3,971,728	3,971,728
Balance, July 31, 2017 (Unaudited)	1,000	$ 1	9,122,728	$ 9,122	$ 52,792,357	$ (1,556,243)	$(36,350,872)	$ 14,894,365

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

CODA OCTOPUS GROUP, INC.
Condensed Consolidated Statements of Cash Flows
For the Periods Indicated
Unaudited

	Nine Months Ended July 31,	
	2017	**2016**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 3,971,728	$ 2,972,914
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	631,062	512,714
Stock compensation	86,930	77,000
Realized gain on the sale of fixed assets	(81,494)	-
(Increase) decrease in operating assets:		
Accounts receivable	740,734	(276,218)
Inventory	(298,842)	870,773
Unbilled receivables	(326,421)	262,068
Other current assets	(241,044)	-
Prepaid expenses	(92,296)	(13,942)
Deferred tax asset	85,712	(5,524)
Increase (decrease) in operating liabilities:		
Accounts payable and other current liabilities	(119,748)	(224,429)
Deferred revenues	(148,661)	(46,359)
Net Cash Provided by Operating Activities	4,207,660	4,128,997
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(2,649,060)	(668,524)
Restricted cash	13,695	4,328
Proceeds from the sale of fixed assets	525,275	-
Net Cash Used in Investing Activities	(2,110,090)	(664,196)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments - loans and notes payable	(384,202)	(1,121,406)
Redemption of Series C preferred stock	(1,100,000)	-
Net Cash Used in Financing Activities	(1,484,202)	(1,121,406)
EFFECT OF CURRENCY EXCHANGE RATE CHANGES ON CASH	781,194	(1,879,556)
NET INCREASE IN CASH	1,394,562	463,839
CASH AT THE BEGINNING OF THE PERIOD	5,601,767	6,310,694
CASH AT THE END OF THE PERIOD	$ 6,996,329	$ 6,774,533
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	$ 464,705	$ 889,145
Non-cash transactions:		
Common stock issued for terminal conversion premium	$ -	$ 3,558,136
Preferred stock issued for accrued interest	$ 1,000,000	$ -
Repayment of secured debt directly with proceeds of note payable	$ 8,000,000	$ -

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

NOTE 1 – BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements have been prepared based upon U.S. Securities and Exchange Commission rules that permit reduced disclosure for interim periods. Therefore, they do not include all information and footnote disclosures necessary for a complete presentation of Coda Octopus Group, Inc.'s condensed consolidated financial position, results of operations, comprehensive income and cash flows, in conformity with generally accepted accounting principles. Coda Octopus Group, Inc. (the Company, Coda Octopus," "we," or "us") filed audited consolidated financial statements as of and for the fiscal years ended October 31, 2016 and 2015 which included all information and notes necessary for such complete presentation in conjunction with its registration statement on Form 10/A (the "Form 10"). The condensed consolidated results of operations for the interim period ended July 31, 2017 are not necessarily indicative of the results to be expected for any future period or the entire fiscal year. These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended October 31, 2016, which are contained in the Form 10. The accompanying unaudited interim condensed consolidated financial statements contain all adjustments (consisting of normal recurring items) which are, in the opinion of management, necessary for a fair presentation of the Company's financial position as of July 31, 2017 and the results of operations, comprehensive income and cash flows for the interim periods ended July 31, 2017 and 2016. The unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. The Company uses the US Dollar as the reporting currency for financial reporting. The financial position and results of operations of the Company's UK-based operations are measured using the British Pound, Australian based operations are measured using Australian Dollars, Danish based operations are measured using Danish Kroners and Norwegian based operations are measured using Norwegian Kroners as the functional currencies. Foreign currency translation gains and losses are recorded as a change in other comprehensive income. Transaction gains and losses generated from the re-measurement of assets and liabilities denominated in currencies other than the functional currency of our foreign operations are also included in other comprehensive income.

NOTE 2 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's short term financial instruments consist of cash and cash equivalents, receivables, accounts payable, and notes payable. The Company adjusts the carrying value of financial assets and liabilities denominated in other currencies such as cash, receivables, accounts payable and the lines of credit using the appropriate exchange rates at the balance sheet date. The Company believes that the carrying values of these short term financial instruments approximate their estimated fair values. The carrying value of our long-term debt approximates its fair value based on the terms and conditions which we would currently obtain.

NOTE 3 – FOREIGN CURRENCY TRANSLATION

The financial position and results of operations of the Company's foreign subsidiaries are measured using the local currency as the functional currency. Assets and liabilities of operations denominated in foreign currencies are translated into U.S. Dollars at exchange rates in effect at the balance sheet date, while revenues and expenses are translated at the weighted average exchange rates during the year. The resulting translation gains and losses on assets and liabilities are recorded in accumulated other comprehensive income (loss), and are excluded from net income until realized through a sale or liquidation of the investment.

NOTE 4 – INVENTORY

Inventory is stated at the lower of cost (first-in first-out method) or market. Inventory consisted of the following components:

	July 31,2017	October 31, 2016
Raw materials and parts	$ 2,259,228	$ 1,734,798
Work in progress	184,661	88,682
Demo goods	296,391	324,752
Finished goods	157,487	450,693
Total Inventory	$ 2,897,767	$ 2,598,925

NOTE 5 – OTHER CURRENT ASSETS

Other current assets consisted of the following at July 31, 2017 and October 31, 2016:

	2017	2016
Deposits	$ 11,240	$ (349)
Other receivables	40,056	35,543
Value added tax (VAT) receivable	330,701	105,760
Total Other Current Assets	$ 381,997	$ 140,954

NOTE 6 – ESTIMATES

The preparation of consolidated financial statements in conformity with U.S. GAAP 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 and the reported amounts of revenues including unbilled and deferred revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include costs and earnings in excess of billings, billings in excess of costs and estimated earnings, and the valuation of goodwill.

NOTE 7 – CONTRACTS IN PROGRESS

Costs and estimated earnings in excess of billings on uncompleted contracts represent accumulated project expenses and fees which have not been invoiced to customers as of the date of the balance sheet. These amounts are stated on the consolidated balance sheets as Unbilled Receivables of $3,733,116 and $3,406,693 as of July 31, 2017 and October 31, 2016, respectively.

Our Deferred Revenue of $315,880 and $464,541 as of July 31, 2017 and October 31, 2016, respectively, consists of billings in excess of costs and revenues received as part of our warranty and Through Life Support obligations upon completing a sale of our products– elaborated further in the last paragraph of this note.

Billings in excess of cost and estimated earnings on uncompleted contracts represent project invoices billed to customers that have not been earned as of the date of the balance sheets. These amounts are stated on the balance sheets as a component of Deferred Revenue of $0 as of July 31, 2017 and October 31, 2016, respectively.

Revenue received as part of sales of equipment includes a provision for warranty and is recorded as deferred revenue and Through Life Support (a support package offering three and five years hardware, software and technical support of products purchased). These amounts are amortized according to the contractual period in question which is over 12 months for warranty obligations and 36 months or 60 months for Through Life Support obligations, according to the package purchased by our customers. The short-term portions of the deferred revenues were $267,369 and $464,541 as of July 31, 2017 and October 31, 2016, respectively. The long-term portions of the deferred revenues were $48,511 and $0 as of July 31, 2017 and October 31, 2016 respectively.

NOTE 8 – CONCENTRATIONS

Significant Customers

During the three months ended July 31, 2017, the Company had a customer from whom it generated sales greater than 10% of net revenues. Revenue from this customer was $1,107,723, or 22% of net revenues during the period. Total accounts receivable from this customer at July 31, 2017 was $605,831 or 24% of accounts receivable.

During the three months ended July 31, 2016, the Company had two customers from whom it generated sales greater than 10% of net revenues. Revenues from these customers were $2,780,925, or 65% of net revenues during the period. Total accounts receivable from these customers at July 31, 2016 was $627,299 or 26% of accounts receivable.

During the nine months ended July 31, 2017, the Company had a customer from whom it generated sales greater than 10% of net revenues. Revenue from this customer was $3,961,648, or 25% of net revenues during the period. Total accounts receivable from this customer at July 31, 2017 was $605,831 or 24% of accounts receivable.

During the nine months ended July 31, 2016, the Company had two customers from whom it generated sales greater than 10% of net revenues. Revenues from these customers were $3,893,432, or 26% of net revenues during the period. Total accounts receivable from these customers at July 31, 2016 was $627,299 or 26% of accounts receivable.

NOTE 9 – LOANS AND NOTES PAYABLE

Loans and notes payable consisted of the following at July 31, 2017 and October 31, 2016:

	2017	2016
On April 28, 2017, the Company repaid in full all outstanding amounts due under the Secured Debentures which was issued on February 21, 2008 and all security interest was released. The Secured Debentures were paid using the $8,000,000 proceeds of the Secured Loan from HSBC Bank NA (see below for further information) and the accrued and unpaid interest under the Debentures of approximately $1,133,261 was satisfied through the issuance to CCM of 1,000 shares of Series C Convertible Preferred Stock, par value $0.001, with a stated value of $1,000 each (the "Preferred Stock"). The Company paid the balance in cash.	$ -	$ 9,744,123
Secured note in the principal amount of $8,000,000 payable to HSBC with interest payable on the 28th day of each month at 4.56% per annum. The Company is required to make monthly principal and interest payment of $149,350. Additionally, within 150 days of the end of each fiscal year the Company is required to pay an amount of $700,000 which will be applied to reduce the principal outstanding under the Secured Loan. The loan is scheduled to mature on April 28, 2022. However, based on the payment schedule under the Loan Agreement it is expected that the Loan will be repaid in full in approximately 45 months from May 28, 2017 (when the first scheduled payment was made).	7,641,724	-
One of the subsidiaries has an unsecured working capital loan from the CEO of the Group. The note is due on May 31st, 2018 and carries an annual interest rate of 4.5%.	1,000,000	-
The Company had a 10-year secured mortgage for $527,675, secured by a building in the UK that required monthly principal payments of $4,018 along with interest at 2.75%, and was due to mature in October 2023. The conversion rate varied according to exchange rates fluctuations. This mortgage was secured by our building, located in Portland UK. This mortgage was repaid in full on December 13, 2016 and all security interest was released by the Bank.	-	281,801
Total	8,641,724	10,025,924
Less: current portion	(3,187,932)	(846,994)
Total Long-Term Loans and Notes Payable	$ 5,453,792	$ 9,178,930

NOTE 10– ACCUMULATED OTHER COMPREHENSIVE INCOME

	2017	2016
Balance, beginning of year	$ (2,337,437)	$ 373,516
Total other comprehensive income (loss) for the year - foreign currency translation adjustment	781,194	(1,879,556)
Balance, end of period	$ (1,556,243)	$ (1,506,040)

NOTE 11 – RECENT ACCOUNTING PRONOUNCEMENTS

On May 28, 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either the retrospective or cumulative effect transition method. In August 2015, the FASB issued ASU No. 2015-14, Revenue from Contracts with Customers: Deferral of the Effective Date, which deferred the effective date of the new revenue standard for periods beginning after December 15, 2016 to December 15, 2017, with early adoption permitted but not earlier than the original effective date. We are currently evaluating the effect that the updated standard will have on our consolidated financial statements and related disclosures.

On February 24, 2016, the FASB issued ASU No. 2016-02, Leases, requiring lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with the exception of short-term leases. For lessees, leases will continue to be classified as either operating or finance leases in the income statement. Lessor accounting is similar to the current model but updated to align with certain changes to the lessee model. Lessors will continue to classify leases as operating, direct financing or sales-type leases. The effective date of the new standard for public companies is for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition and requires application of the new guidance at the beginning of the earliest comparative period presented. We do not believe that the adoption of this standard will have a material effect on our financial statement.

On March 30, 2016, the FASB issued ASU No. 2016-09, Improvements to Employee Share-Based Payment Accounting, which simplifies various aspects related to the accounting and presentation of share-based payments. The amendments require entities to record all tax effects related to share-based payments at settlement or expiration through the income statement and the windfall tax benefit to be recorded when it arises, subject to normal valuation allowance considerations. All tax-related cash flows resulting from share-based payments are required to be reported as operating activities in the statement of cash flows. The updates relating to the income tax effects of the share-based payments including the cash flow presentation must be adopted either prospectively or retrospectively. Further, the amendments allow the entities to make an accounting policy election to either estimate forfeitures or recognize forfeitures as they occur. If an election is made, the change to recognize forfeitures as they occur must be adopted using a modified retrospective approach with a cumulative effect adjustment recorded to opening retained earnings. The effective date of the new standard for public companies is for fiscal years beginning after December 15, 2016 and interim periods within those fiscal years. Early adoption is permitted. We have evaluated the effects of this updated standard and determined that it will not have a significant impact on our consolidated financial statements and related disclosures.

NOTE 11– RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

With the exception of the updated standards discussed above, there have been no new accounting pronouncements not yet effective that have significance, or potential significance, to our Consolidated Financial Statements.

NOTE 12 – EARNINGS PER COMMON SHARE

Fiscal Period	Three Months Ended July 31,2017	Three Months Ended July 31 2016	Nine Months Ended July 31, 2017	Nine Months Ended July 31, 2016
Numerator:				
Net Income	$ 1,124,802	$ 1,100,860	$ 3,971,728	$ 2,972,914
Denominator:				
Basic weighted average common shares outstanding	9,110,674	6,741,330	9,104,890	6,741,330
Conversion of Series C Preferred Stock	200,000	2,200,000	200,000	2,200,000
Diluted outstanding shares	9,310,674	8,941,330	9,304,890	8,941,330
Earnings from continuing operations				
Basic	$ 0.12	$ 0.16	$ 0.44	$ 0.44
Diluted	$ 0.12	$ 0.12	$ 0.43	$ 0.33

NOTE 13 – SEGMENT ANALYSIS

We are operating in two reportable segments, which are managed separately based upon fundamental differences in their operations. Coda Octopus Martech and Coda Octopus Colmek operate as engineering contractors and the balance of our operations are comprised of product sales.

Segment operating income is total segment revenue reduced by operating expenses identifiable with the business segment. Corporate includes general corporate administrative costs.

The Company evaluates performance and allocates resources based upon operating income. The accounting policies of the reportable segments are the same as those described in the summary of accounting policies, as outlined in the October 31, 2016 financial statements.

There are inter-segment sales which have been eliminated in our financial statements but are disclosed in the tables below for information purposes.

The Company's reportable business segments operate in three geographic locations. Those geographic locations are:

* United States
* Europe
* Australia

The following tables summarize segment asset and operating balances by reportable segment for the three months and nine months ended July 31, 2017 and 2016 respectively.

NOTE 13 – SEGMENT ANALYSIS (continued)

	Marine Technology Business (Products)	Marine Engineering Business (Services)	Overhead	Total
Three Months Ended July 31, 2017				
Revenues from External Customers	$ 3,439,587	$ 1,604,003	$ -	$ 5,043,590
Cost of Revenues	1,054,369	928,392	-	1,982,761
Gross Profit	2,385,218	675,611	-	3,060,829
Research & Development	200,118	-	-	200,118
Selling, General & Administrative	781,908	637,465	297,891	1,717,264
Total Operating Expenses	982,026	637,465	297,891	1,917,382
Operating Income (Loss)	1,403,192	38,146	(297,891)	1,143,447
Other Income (Expense)				
Other Income	89,670	261	-	89,931
Interest Expense	(5,947)	(15,451)	(90,691)	(112,089)
Total other income (expense)	83,723	(15,190)	(90,691)	(22,158)
Income before income taxes	1,486,915	22,956	(388,582)	1,121,289
Income tax benefit (expense)	3,513	-	-	3,513
Net Income	$ 1,490,428	$ 22,956	$ (388,582)	$ 1,124,802
Supplemental Disclosures				
Total Assets	$ 12,300,376	$ 12,529,169	$ 1,093,219	$25,922,764
Total Liabilities	1,103,023	1,638,002	8,287,374	11,028,399
Revenues from Intercompany Sales - eliminated from sales above	1,002,339	36,030	369,625	1,407,994
Depreciation and Amortization	130,048	101,442	3,211	234,701
Purchases of Long-lived Assets	252,653	45,841	-	298,494

NOTE 13 – SEGMENT ANALYSIS (continued)

	Marine Technology Business (Products)	Marine Engineering Business (Services)	Overhead	Total
Three Months Ended July 31, 2016				
Revenues from External Customers	$ 2,427,570	$ 1,851,090	$ -	$ 4,278,660
Cost of Revenues	622,195	810,478	-	1,432,673
Gross Profit	1,805,375	1,040,612	-	2,845,987
Research & Development	292,855	-	-	292,855
Selling, General & Administrative	422,096	578,297	284,523	1,284,916
Total Operating Expenses	714,951	578,297	284,523	1,577,771
Operating Income (Loss)	1,090,424	462,315	(284,523)	1,268,216
Other Income (Expense)				
Other Income	50,226	(111)	-	50,115
Interest Expense	(330,306)	(110,113)	222,948	(217,471)
Total other income (expense)	(280,080)	(110,224)	222,948	(167,356)
Income (Loss) before income taxes	810,344	352,091	(61,575)	1,100,860
Income tax benefit (expense)	-	-	-	-
Net Income (Loss)	$ 810,344	$ 352,091	$ (61,575)	$ 1,100,860
Supplemental Disclosures				
Total Assets	$ 11,883,612	$ 9,613,958	$ 155,302	$21,652,872
Total Liabilities	1,218,381	640,083	10,808,862	12,667,326
Revenues from Intercompany Sales - eliminated from sales above	286,892	(63,221)	118,875	342,546
Depreciation and Amortization	121,600	81,129	3,199	205,928
Purchases of Long-lived Assets	(76,401)	(8,648)	3,600	(81,449)

NOTE 13 – SEGMENT ANALYSIS (continued)

	Marine Technology Business (Products)	Marine Engineering Business (Services)	Overhead	Total
Nine Months Ended July 31, 2017				
Revenues from External Customers	$ 9,189,731	$ 6,490,820	$ -	$15,680,551
Cost of Revenues	2,753,297	3,226,449	-	5,979,746
Gross Profit	6,436,434	3,264,371	-	9,700,805
Research & Development	699,106	-	-	699,106
Selling, General & Administrative	2,165,601	1,979,436	596,931	4,741,968
Total Operating Expenses	2,864,707	1,979,436	596,931	5,441,074
Operating Income (Loss)	3,571,727	1,284,935	(596,931)	4,259,731
Other Income (Expense)				
Other Income	204,653	261	-	204,914
Interest (Expense) Income	(538,088)	(214,674)	256,332	(496,430)
Total other income (expense)	(333,435)	(214,413)	256,332	(291,516)
Income (Loss) before income taxes	3,238,292	1,070,522	(340,599)	3,968,215
Income tax benefit (expense)	3,513	-	-	3,513
Net Income	$ 3,241,805	$ 1,070,522	$ (340,599)	$ 3,971,728
Supplemental Disclosures				
Revenues from Intercompany Sales - eliminated from sales above	1,680,852	265,985	607,375	2,554,212
Depreciation and Amortization	377,311	244,223	9,528	631,062
Purchases of Long-lived Assets	2,541,716	94,874	12,470	2,649,060

NOTE 13 – SEGMENT ANALYSIS (continued)

	Marine Technology Business (Products)	Marine Engineering Business (Services)	Overhead	Total
Nine Months Ended July 31, 2016				
Revenues from External Customers	$ 7,816,669	$ 6,983,805	$ -	$14,800,474
Cost of Revenues	2,690,603	3,520,070	-	6,210,673
Gross Profit	5,126,066	3,463,735	-	8,589,801
Research & Development	708,146	-	-	708,146
Selling, General & Administrative	1,905,381	2,180,426	362,202	4,448,009
Total Operating Expenses	2,613,527	2,180,426	362,202	5,156,155
Operating Income (Loss)	2,512,539	1,283,309	(362,202)	3,433,646
Other Income (Expense)				
Other Income	149,990	5,787	-	155,777
Interest Expense	(615,383)	(223,931)	222,805	(616,509)
Total other income (expense)	(465,393)	(218,144)	222,805	(460,732)
Income (Loss) before income taxes	2,047,146	1,065,165	(139,397)	2,972,914
Income tax benefit (expense)	-	-	-	-
Net Income (Loss)	$ 2,047,146	$ 1,065,165	$ (139,397)	$ 2,972,914
Supplemental Disclosures				
Revenues from Intercompany Sales - eliminated from sales above	643,294	178,132	362,875	1,184,301
Depreciation and Amortization	247,235	255,848	9,631	512,714
Purchases of Long-lived Assets	642,906	13,150	12,468	668,524

NOTE 13 – SEGMENT ANALYSIS (continued)

Information concerning principal geographic areas is presented below according to the area where the activity has taken place for the three and nine months ended July 31, 2017 and 2016 respectively:

	USA	Europe	Australia	Total
External Revenues by Geographic Locations				
Three Months Ended July 31, 2017	$ 1,550,141	$ 2,942,365	$ 551,085	$ 5,043,591
Three Months Ended July 31, 2016	$ 1,983,771	$ 1,970,478	$ 324,411	$ 4,278,660
Nine Months Ended July 31, 2017	$ 6,825,815	$ 7,574,299	$ 1,280,437	$15,680,551
Nine Months Ended July 31, 2016	$ 6,939,673	$ 6,733,926	$ 1,126,875	$14,800,474

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OPERATIONS

Forward-Looking Statements

The information herein contains forward-looking statements. All statements other than statements of historical fact made herein are forward looking. In particular, the statements herein regarding industry prospects and future results of operations or financial position are forward-looking statements. These forward-looking statements can be identified by the use of words such as "believes," "estimates," "could," "possibly," "probably," anticipates," "projects," "expects," "may," "will," or "should" or other variations or similar words. No assurances can be given that the future results anticipated by the forward-looking statements will be achieved. Forward-looking statements reflect management's current expectations and are inherently uncertain. Our actual results may differ significantly from management's expectations.

The following discussion and analysis should be read in conjunction with our financial statements, included herewith and the audited financial statements included in our registration statement on Form 10/A filed with the Securities and Exchange Commission on March 29, 2017. This discussion should not be construed to imply that the results discussed herein will necessarily continue into the future, or that any conclusion reached herein will necessarily be indicative of actual operating results in the future. Such discussion represents only the best present assessment of our management.

General Overview

Throughout these discussions, the following terminologies listed in the table immediately below are used and have the meanings ascribed to them in the said table.

"*Current Quarter*"	This refers to the three month period ended July 31, 2017
"*Previous Quarter*"	This refers to the three month period ended July 31, 2016
"2017 Nine Months Period"	This refers to the nine month period ended July 31, 2017
"2016 Nine Months Period"	This refers to the nine month period ended July 31, 2016

Coda Octopus Group, Inc. ("Coda," "the Company," or "we") designs and manufactures patented real time 3D sonar solutions and other leading products (comprising both hardware and software) for sale to the subsea, defense, mining and marine sciences markets, among others. In addition, we supply marine engineering business services to prime defense contractors.

We operate through two operating business segments: Marine Technology Business ("Products" segment) and Marine Engineering Business ("Services" segment). Hereafter we will refer to these segments as either Products Segment or Services Segment (as the context requires).

Our products are used primarily in the underwater construction market, offshore oil and gas and wind energy industry, complex dredging operations, port security, mining, countermine measures, defense (specifically, object identification and reacquisition missions) and marine sciences sectors. Our customers include service providers to major oil and gas companies, law enforcement agencies, ports, mining companies, defense companies, research bodies and universities.

We supply our marine engineering business services mainly to prime defense contractors. We have been supporting some significant defense programs that enable us to provide engineering services through the full life cycle of the parts we supply (conception, design, production and obsolescence management)

Historically, the Marine Technology Business generated approximately 70% of our revenues. In the last two fiscal years, the Marine Technology Business has generated closer to 50% of our overall revenues, with the Marine Engineering Business growing at a faster pace. In the Current Quarter, however, our Marine Technology Business generated 68% of our revenues, whereas the Marine Engineering Business generated 32%. The reduced revenue share of our Services Segment is largely due to delays in securing committed purchase orders from our defense customers resulting from the uncertainty around the newly elected US Administration's budgetary policy and spending priorities. Nevertheless, we believe that this is a temporary situation and the Marine Engineering Business will continue to grow at a faster pace than the Marine Technology Business as this latter segment continues to be affected by the contraction in the oil and gas (O&G) sector's capital and operational spending. Due to the effort by O&G companies to restructure their operations, the climate in which we sell is fiercely competitive. As a result, sales to this sector have declined and gross profit margins of items we sell into this sector have weakened. The outlook for the O&G sector continues to look poor and the widely held view in the market is that this is likely to continue as long as the current surplus and volatility in the price of oil continues. This situation is further compounded by the depreciation of British Pound against the US Dollar which has impacted on the US Dollar revenues generated by the Products Segment.

We continue to believe that our unique and patented real time 3D solutions for subsea and defense application are a significant advancement on the current technology available in the subsea sonar market. Because of its real time capability providing volumetric data of moving (as opposed to static) underwater targets or objects in low or zero visibility conditions, this technology reduces operational costs to users as underwater data is provided in real time, similar to a camera. Furthermore, because the technology provides real time image of the underwater environment, it enhances safety significantly. In addition, we believe that our real time 3D solution is becoming the preferred solution for subsea asset placements (such as Accropodes™, mattress placements, block placements and the like) because it is the only technology that can visualize in real time moving objects in the water column (such as blocks).

Due to the decline in the price of oil, many O&G companies are seeking cost effective solutions for their operations. We believe that our real time 3D solution has the potential to revolutionize the technology used in underwater operations particularly where real time visualization is required or zero or low visibility conditions prevail. Furthermore, as discussed in our section on Research and Development, we are focusing on the advancement of our real time 3D technology to introduce more competitively priced products and products tailored to particular markets. In January 2017, we launched our Echoscope® XD, a multiple projector system that provides a wider field of view that is more suitable for bathymetry survey or imaging of a wider area. This new product can also be retrofitted to existing systems. This paves the way for the further expansion of the markets for our real time 3D sonar. We are also close to launching the first of a series of new products based on our fourth generation (4G) technology. This system is a shallow water system targeted at the subsea construction market and is much smaller in size and lighter than the current iteration of our real time 3D sonars. In addition, its power requirements are less. We believe that these features will allow us to expand into markets where size, weight and power requirements of our equipment play a significant role.

In recent years we have made progress in getting our core real time patented 3D technology, the Echoscope®, adopted by a significant number of ports in the USA (the CodaOctopus® Underwater Inspection System – ("UIS") – which integrates our Echoscope, motion sensing product and hydrographic pole) where it is used for port and harbor security.

We have also made progress in expanding the markets (and applications) into which we sell our patented real time 3D Sonars. Recently, we have sold a number of systems to subsea mining companies for use in selecting the areas for mining and to precisely locate, sample and harvest the minerals from the seabed with maximum yield and minimum disturbance to the environment. All such operations are in zero visibility water conditions.

Increasingly, our customers involved in offshore energy and renewables are adopting the technology as the primary tool for scour management, subsea cable installation and associated cable protection tasks. During fiscal 2016, there were four significant European wind energy projects all of which adopted our technology. We continue to make progress in this sector in 2017. We are enhancing our products further with the aim of automating these operations.

During the last 12 months we have also begun to focus on the defense market for our real time 3D sonar technology. Recently, we have had a number of successful trials with significant defense and navy prospects both in the US and the UK. During these evaluations, our technology has been identified as important technology for a number of defense applications as it allows real time observation for many difficult defense tasks such as real time hull scanning of ships, search and rescue, diving applications, obstacle avoidance, threat detections, mine and countermine measures.

In addition, in recent years we have started to rent our real time 3D solutions with associated services. Given the contraction in the O&G market, rentals are increasingly becoming an important part of the composition of the Company's revenues. Furthermore, our rental offering generally yields a higher gross margin for the Company. In the Current Quarter, sales of our rental solutions and associated services have fallen compared to the Previous Quarter.

The following brief overview highlights some of the major issues that currently impact the Company's business.

a. the price of commodities, in particular O&G. The decline in O&G prices has resulted in large scale reductions in capital and operational expenditures, which directly impact on the sales of our products into these and related markets, which previously had been an important market for our products;

b. the allocation of funds to defense procurement by governments in the US and the UK;

c. uncertainty on the impact of the United Kingdom decision to terminate its membership in the European Union. See below for recent steps we have started to take to mitigate some of the impact should there be a "hard Brexit" (i.e. an exit arrangement that allows the UK no or limited access to the European Union markets). In the event that the United Kingdom does not secure access to the European Union Single Market, this is likely to directly impact our cost basis as currently we do not pay export duty on products that we sell to customers in the Single Market. We are in the process of designing a strategy to mitigate some of the likely impact;

d. a significant percentage of the Company revenues are generated by the Company's subsidiaries in the United Kingdom. The depreciation of British Pound against major currencies including the US Dollar impacts our foreign subsidiaries in the United Kingdom which generates approximately 58% of our revenues in the Current Quarter and which are transacted in British Pounds. Furthermore, a large part of our assets are held in British Pounds while the majority of our liabilities (which comprise our senior secured debentures) are maintained in US Dollar. The continued uncertainty described in paragraph (c) above is likely to cause the continued decline in the value of the British Pound against the US Dollar for the foreseeable future. See Note 3 of the Consolidated Unaudited Financial Statements regarding our Foreign Currency Translation Policy;

e. global-political uncertainties affecting the markets into which we sell our goods and services;

f. global trends which makes certain geographical regions more competitive in providing engineering solutions because of their labor rates, such as India and China, are likely to affect our Services Segment;

g. Revenues from our Services Segment have been adversely affected in the Current Quarter due to uncertainty regarding the new US Administration's funding priorities. As such, significant purchase orders that we had anticipated have not yet been placed. Although we believe that the medium to long-term prospects for government based revenues remain strong. The delay in receiving the anticipated purchase orders is likely to adversely affect this Company's financial results for the current fiscal year;

h. On April 28, 2017, the Company entered into a Secured Loan Agreement with HSBC Bank NA for a loan in the principal amount of $8,000,000 at a fixed annual interest rate of 4.56%. The obligation is secured by all of the Company's assets and business undertakings in the USA and is guaranteed jointly and severally by each of the Company's foreign subsidiaries; and

i. The Company has limited external sources of capital available, and as such is reliant upon its ability to sell its products and services to provide sufficient working capital for its operations and obligations.

The Company's operations are located in the United States, United Kingdom, Australia and Norway. A large proportion of our revenues (approximately 68%) and costs (in the Current Quarter) are incurred outside of the USA with a significant part of that in the UK. In addition, a significant part of our assets (both current and fixed) are held in British Pounds by our foreign subsidiaries. The decision of the UK to exit the European Union ("Brexit") has resulted in significant currency exchange rate fluctuations and volatility in global stock markets including a sharp fall of the British Pound against the US Dollar and other major currencies. This fall affects our reported revenues since we report in US Dollars. Additionally, a significant part of our supply chain for our UK Products business is sourced from outside of the UK. The depreciation of the British Pound against major currencies including the US Dollar results in an increased cost in our raw materials and these increases are not easily passed on to our customers.

Since the Brexit vote, we have suffered adverse currency movements affecting our UK Businesses. It has been reported in the Financial Times that in July 2016 British Pound closed at a 31year low against the US Dollar at around US Dollar 1.32 for the British Pound. Since then, the British Pound has continued to depreciate against the US Dollar to around $1.20 to $1.25 for £1 with the average for 2017 Nine Months Period being $1.26 and $1.32 at the Balance Sheet date for the Current Quarter. For the 2017 Nine Months Period our reported revenues have been reduced by $1,000,000 due to adverse movement of the British Pound to the US Dollar. See further below under Section titled "Inflation and Foreign Currency" for full analysis of Exchange Rate Movements and impact for the 3 and 9 months respectively.

Given the lack of comparable precedent, the implications of Brexit and how they might affect the Company in the medium to long term are unclear. However, in the event that the negotiations with Britain's European counterparts result in a "hard Brexit", thereby disrupting trade and the free movement of goods, services and people, this could adversely affect our Business.

The UK Government triggered Article 50 on March 29, 2017. The UK political establishment appears to be pursuing a "hard Brexit". In anticipation of mitigating some of the impact of this on the Company, on or around February 28, 2017 we established Coda Octopus Products A/S in Denmark (a member of the European Union). This is established as a wholly owned subsidiary of Coda Octopus Products Limited. Our CEO is the Managing Director of Coda Octopus Products A/S in Denmark.

Critical Accounting Policies

This discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements that have been prepared under accounting principles generally accepted in the United States of America ("GAAP"). The preparation of financial statements in conformity with US GAAP requires our management to make estimates and assumptions that affect the reported values of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported levels of revenue and expenses during the reporting period. Actual results could materially differ from those estimates.

Below is a discussion of accounting policies that we consider critical to an understanding of our financial condition and operating results and that may require complex judgment in their application or require estimates about matters which are inherently uncertain.

A full discussion of our significant accounting policies, including further discussion of the accounting policies described below, can be found in Note 1, "Summary of Significant Accounting Policies" of our Annual Consolidated Financial Statements included in Form 10/A.

Revenue Recognition

Our revenue is derived from sales of underwater technologies and equipment for imaging, mapping, defense and survey applications and from the engineering services which we provide. Revenue is recognized when evidence of a contractual arrangement exists, delivery has occurred or services have been rendered, the contract price is fixed or determinable, and collectability is reasonably assured. No right of return privileges is granted to customers after delivery.

For arrangements with multiple deliverables, we recognize product revenue by allocating the revenue to each deliverable based on the relative fair value of each deliverable, and recognize revenue when equipment is delivered, and for installation and other services as they are performed.

Our contracts sometimes require customer payments in advance of revenue recognition. These amounts are reflected as liabilities and recognized as revenue when the Company has fulfilled its obligations under the respective contracts.

For software license sales for which any services rendered are not considered essential to the functionality of the software, we recognize revenue upon delivery of the software, provided (1) there is evidence of a contractual arrangement for this, (2) collection of our fee is considered probable and (3) the fee is fixed and determinable.

For arrangements that are generated from time and material contracts where there is a signed agreement and approved purchase order in place that specifies the fixed hourly rate and other reimbursable costs to be billed based on material and direct labor hours incurred, revenue is recognized on these contracts based on material and direct labor hours incurred. Revenues from fixed-price contracts are recognized on the percentage-of-completion method, measured by the percentage of costs incurred (materials and direct labor hours) to date to estimated total costs (materials and direct labor hours) for each contract. This method is used as expenditures for direct materials and labor hours are considered to be the best available measure of progress on these contracts. Losses on fixed-price contracts are recognized during the period in which the loss first becomes apparent based upon costs incurred to date and the estimated costs to complete as determined by experience from similar contracts. Variations from estimated contract performance could result in adjustments to operating results.

Rental Revenue is recognized monthly over the term of the rental period.

Recoverability of Deferred Costs

We defer costs on projects for service revenue. Deferred costs consist primarily of direct and incremental costs to customize and install systems, as defined in individual customer contracts, including costs to acquire hardware and software from third parties and payroll costs for our employees and other third parties. We recognize such costs in accordance with our revenue recognition policy by contract. For revenue recognized under the completed contract method, costs are deferred until the products are delivered, or upon completion of services or, where applicable, customer acceptance. For revenue recognized under the percentage of completion method, costs are recognized as products are delivered or services are provided in accordance with the percentage of completion calculation. For revenue recognized ratably over the term of the contract, costs are recognized ratably over the term of the contract, commencing on the date of revenue recognition. At each balance sheet date, we review deferred costs, to ensure they are ultimately recoverable. Any anticipated losses on uncompleted contracts are recognized when evidence indicates the estimated total cost of a contract exceeds its estimated total revenue.

Results of Operations for the three months ended July 31, 2017 ("Current Quarter") compared to the three months ended July 31, 2016 ("Previous Quarter")

Revenue: Total revenues for the Current Quarter and the Previous Quarter were $5,043,590 and $4,278,660, respectively, representing an increase of 17.9%. The increase in Revenues in the Current Quarter is a reflection of the increase in sales by our Product Segment. Although this segment continues to be impacted by the downturn in O&G sector, we have managed to continue to make progress in selling into new markets and new geographical regions.

Gross Margins: Margins were weaker in the Current Quarter at 60.7% (gross profit of $3,060,829) compared to 66.5% (gross profit $2,845,987) in the Previous Quarter. This decrease is a reflection of the mix of sales generated in the Current Quarter. In addition, a significant part of sales by the Products Segment were through agents, which command a commission ranging between 15 and 20% and also a reduction of the level of rental activities. This has impacted our Gross Margins in the Current Quarter and at the same time, our rental revenues, which have better gross margins, are down compared to the Previous Quarter. Further information on the performance of each Segment can be found in Note 13 to the Condensed Consolidated Unaudited Financial Statements.

Research and Development (R&D). R&D expenditures in the Current Quarter were $200,118 representing a 31.7% decrease compared to the Previous Quarter, when these expenditures were $292,855. Notwithstanding this decrease, on a full year basis we expect this number to increase to reflect ongoing R&D projects relating to our program to advance technologically our real time 3D sonar technology and motion sensing products. This investment will involve bringing in new skills and incurring significant non-recurring engineering costs) for prototyping new real time 3D products and motion sensing products. Our goal will be to bring more competitively priced and technologically advanced products to the market in fiscal year 2018. We expect the first prototype within our 4G of real time 3D sonars to be available for customer trials around October 2017. Trials can take up to three months and therefore we do not expect to launch this variant until the end of our first quarter in 2018. Notwithstanding, these are complex products and we can give no assurance that we will be successful in the stated goals. Furthermore, we may incur significant research and development expenditures without realizing viable products.

Selling, General and Administrative Expenses (SG&A). SG&A expenses for the Current Quarter increased to $1,717,264 from $1,284,916 in the Previous Quarter, an increase of 33.6%. This is in line with new costs associated with our SEC reporting, NASDAQ listing, increased professional fees relating to these activities and increase in the costs of our Directors and Officers insurance.

Key Areas of SG&A Expenditure across the Group for the Current Quarter compared to the Previous Quarter are:

Expenditure	**July 31, 2017**		**July 31, 2016**		**Percentage Change**
Wages and Salaries	$	1,001,346	$	985,172	Increase of 1.6%
Legal and Professional Fees (including accounting, audit and investment banking services)	$	227,506	$	100,934	Increase of 125.4%
Rent for our various locations	$	38,869	$	89,003	Decrease of 56.3%
Marketing	$	35,971	$	12,164	Increase of 195.7%

Operating Income. We had an operating income of $1,143,447 in the Current Quarter against an operating income of $1,268,216 in the Previous Quarter, resulting in a decrease of 9.8% over the Previous Quarter. This decrease is largely due to the increase in our SG&A expenditures combined with the reduction in revenues generated by our Services Segment in the Current Quarter due to delays in receiving purchase orders from its defense customers due to uncertainty in the new US Government Administration on budgetary and spending priorities.

Interest Expense. Interest expense decreased by 48.5% in the Current Quarter to $112,089 from $217,471 in the Previous Quarter. This is due to lower interest payments attributable to our current Senior Loan with HSBC Bank NA. Please refer to Note 9 – Loans and Notes Payable to the Unaudited Condensed Consolidated Financial Statements for further details pertaining to this HSBC Loan.

Other Income. In the Current Quarter, we had Other Income of $89,931 as compared to $50,115 in the Previous Quarter resulting in an increase by 79.4%. This category is subject to fluctuations as it usually reflects Value Added Tax rebates from purchases made outside of the European Union by our UK operations and changes according to the level of purchases we make outside of the European Union in the period.

Net Income. In the Current Quarter, we had Net Income of $1,124,802 as compared to $1,100,860 in the Previous Quarter representing a small increase of 2.2% over the Previous Quarter. This is largely attributable to reduction in interest expenses payable and a gain realized from sale of fixed asset in the Current Quarter.

Comprehensive Income. In the Current Quarter, our Comprehensive Income was $1,138,109 compared to a loss on $6,495 in the Previous Quarter. This is due to a gain on foreign currency transactions of $13,307 as compared to a loss on foreign currency transactions of (1,107,355) in the Previous Quarter.

Segment Reporting three months ended July 31, 2017 compared to three months ended July 31, 2016

Due to the nature of our businesses, we are operating in two reportable segments, which are managed separately based upon fundamental differences in their operations.

Segment operating income is total segment revenue reduced by operating expenses identifiable with the business segment. Overhead includes general corporate administrative costs.

The Company evaluates performance and allocates resources based upon operating income.

The accounting policies of the reportable segments are the same as those described in the summary of accounting policies in Note 2 to the Consolidated Financial Statements included in our Form 10/A. See Note 13 of our Condensed Consolidated Unaudited Financial Statements which provides more information on each of the Segments for the Current Quarter compared to the Previous Quarter.

Our Marine Technology Business sells its products and associated services to the O&G sector, offshore wind energy, dredging and marine construction, marine and port security, and marine sciences sectors. This Segment generated approximately 68% and 57% of our total revenues for the three months ended July 31, 2017 and July 31, 2016, respectively.

Our Marine Engineering Business largely sells its services into prime and second tier defense contractors and generated approximately 32% and 43% of our total revenues for the three months ended July 31, 2017 and July 31, 2016, respectively. The Marine Engineering Business has not met its revenue plan year to date due to delays experienced by the Services Segment in securing committed purchase orders from our defense customers resulting from the uncertainty around the newly elected US Administration and its budgetary policy and spending priorities. This has impacted its revenues in the Current Quarter.

Results of Operations for the nine months ended July 31, 2017 ("2017 Nine Months Period") compared to the nine months ended July 31, 2016 ("2016 Nine Months Period")

Revenue: Total revenues for the 2017 Nine Month Period and the 2016 Nine Month Period were $15,680,551 and $14,800,474 respectively, representing an increase of 5.9%. Although overall revenues have increased, we are still behind in our revenue plan for this fiscal year due to delays in securing anticipated purchase orders by our Services Segment. This is caused by uncertainty over the budgetary and spending priorities of the new US Administration, resulting in defense contractors not committing to orders until there is more clarity and we expect this to continue in our fourth quarter.

Gross Margins: Margins were stronger in the 2017 Nine Month Period at 61.9% (gross profit of $9,700,805) compared to 58.0% (gross profit $8,589,801) in the 2016 Nine Month Period. The increase in our Gross Margins is a reflection of the mix of sales generated in the 2017 Nine Months Period with a high proportion of sales in our Marine Technology Business that traditionally commands a higher gross margin than our Marine Engineering Business. In the 2016 Nine Month Period, 47% of our revenues were generated by the Services Segment and 53% by the Products Segment.

Research and Development (R&D). R&D expenditures in the 2017 Nine Month Period were $699,106 representing a 1.3% decrease over the 2016 Nine Month Period, where these expenditures were $708,146. This level of expenditures for our R&D efforts is in line with our budgetary plans. On a full year basis, we anticipate that this area of expenditures will increase over the previous 2016 full year period as we continue to invest significantly in the technological advancement of our real time 3D sonar technology and motion sensing products. This investment will involve bringing in new skills and incurring significant non-recurring engineering costs for prototyping new real time 3D products and motion sensing products. Our goal will be to bring more competitively priced and technologically advanced products to the market. It is anticipated that our first iteration of our 4G sonars will be available for customers evaluation in the subsea construction market before the end of the current fiscal year and should these be successful we would expect to launch of our first iteration of our 4G technology is anticipated to be in first quarter 2018. Notwithstanding, these are complex products and we can give no assurance that we will be successful in the stated goals. Furthermore, we may incur significant research and development expenditures without realizing viable products.

Selling, General and Administrative Expenses (SG&A). SG&A expenses for the 2017 Nine Months Period increased to $4,741,968 from $4,448,009 in the 2016 Nine Months Period, an increase of 6.6%. The increase in this category of expenditures is in line with our budgetary expectations and reflect the additional costs associated with the Company returning to SEC reporting and listing of its shares of common stock at the Nasdaq Capital Market and increased costs of Directors and Officers insurance.

Key Areas of SG&A Expenditure across the Group for the 2017 Nine Months Period compared to the 2016 Nine Months Period are:

Expenditure		**July 31, 2017**		**July 31, 2016**	**Percentage Change**
Wages and Salaries	$	2,977,685	$	3,221,840	Decrease of 7.6%
Legal and Professional Fees (including accounting, audit and investment banking services)	$	720,665	$	587,692	Increase of 22.6%
Rent for our various locations	$	80,937	$	51,615	Increase of 56.8%
Marketing	$	160,812	$	100,855	Increase of 59.4%

In the 2017 Nine Months Period our SG&A expenditures have increased, which is partially due to increased spending on Legal and Professional Fees associated with having returned to being a SEC Reporting Company under the Securities Exchange Act 1934. In this connection, the Company filed a Form 10 with the SEC on or around February 17, 2017. This registration statement is now effective and the Company is subject to the 1934 Act.

Operating Income. We had an operating income of $4,259,731 in the 2017 Nine Months Period against an operating income of $3,433,646 in the 2016 Nine Months Period, making this an increase of 24.1%. This increase is largely due to an increase in revenues combined with a reduction in our direct costs of sales (resulting from the mix of sales in the 2017 Nine Months Period), resulting in an increase in our gross profit margins. We also had slightly lower expenditures for wages and salaries category but overall increased SG&A due to the reasons disclosed immediately above). Moreover, our R&D expenditures will continue to increase in the last three months of the current and the next financial year to reflect the investments we are making in research and development of our next generation of real time 3D solutions (4G real time 3D solutions) and motion sensing products.

Interest Expense. Interest expense decreased by 19.5% in the 2017 Nine Months Period to $496,430 from $616,509 in the 2016 Nine Months Period. This reduction is due to (i) redemption of the amounts described in category A below; and (ii) reduction in the interest rate payable under the new HSBC NA secured loan which the Company effected on or around April 28, 2017. This loan attracts a lower interest rate of 4.5566% as compared to 8.5% on previous Senior Secured Debentures; (iii) reduction of the principal amount of the said HSBC NA loan, which is a reducing balance loan (Company repays both principal and interest on a monthly basis).

This category of expenditures included:

No.	**Description**	**Status**
A.	Senior Secured Debentures – Original Amount $12,000,000 issued on or around February 21, 2008	This has now been repaid in full. See below for further details.
B.	HSBC (UK) Mortgage on Building (Office and Manufacturing Facility located in Portland, UK). Original Mortgage amount was $530,701	This has now been repaid in full and the mortgage over the building was released.
C.	Loan from our CEO of $1,000,000	This is still outstanding.

On and around April 28, 2017, we paid off the outstanding principal and accrued interest under the Secured Debentures described in paragraph A of the table immediately above. This was achieved by

- obtaining a loan in HSBC Bank USA in the principal amount of $8,000,000 which is secured by the Company's assets and with significantly lower interest than the Secured Debentures;

- issuing Series C preferred stock valued at $1,000,000 to the holder of the Secured Debentures; and

- $133,261 in cash.

This category of expenditures is likely to decrease going forward as the annual interest on the new Secured Loan is 4.5566% as compared to 8.5% which we were paying on category A above and at the same time our overall level of borrowing has dropped. See Note 9 of the Condensed Consolidated Unaudited Financial Statements for full information on new HSBC Bank USA Secured Loan of $8,000,000 which the Company borrowed on or around April 28, 2017 and section titled "Liquidity and Capital Resources" below.

Other Income. In the 2017 Nine Month Period, we had Other Income of $204,914 as compared to $155,777 in the 2016 Nine Month Period resulting in an increase by 31.5%. This category is subject to fluctuations as it usually reflects Value Added Tax rebates from purchases made outside of the European Union by our UK operations and changes according to the level of purchases we make outside of the European Union in the period.

Net Income. In the 2017 Nine Month Period, we had Net Income of $3,971,728 as compared to $2,972,914 in the 2016 Nine Months Period representing an increase of 33.6% over the 2016 Nine Months Period. This is due to an increase in revenues by 5.9% combined with stronger gross profit margins (up from 58% to 61.9%) and a reduction in interest expenditures by 19.5%.

Comprehensive Income. In the 2017 Nine Month Period, our Comprehensive Income was $4,752,922 compared to $1,093,358 in the 2016 Nine Month Period representing an increase of 334.7%. This includes a gain for the 2017 Nine Months Period in foreign currency translation adjustment of $781,194 and a loss for the same item in the 2016 Nine Month Period of $1,879,556.

Segment Reporting nine months ended July 31, 2017 compared to nine months ended July 31, 2016

Due to the nature of our businesses, we are operating in two reportable segments, which are managed separately based upon fundamental differences in their operations.

Our Marine Technology Business sells its products and associated services to the O&G sector, offshore wind energy, dredging and marine construction, marine and port security, and marine sciences sectors. This Segment generated approximately 59% and 53% of our total revenues for the nine months ended July 31, 2017 and July 31, 2016, respectively.

Our Marine Engineering Business largely sells its services into prime and second tier defense contractors and generated approximately 41% and 47% of our total revenues for the nine months ended July 31, 2017 and July 31, 2016, respectively. Although the revenues of the Marine Engineering Business have fallen in the 2017 Nine Months Period due to delays experienced by the Services Segment in securing committed purchase orders from our defense customers resulting from the uncertainty around the newly elected US Administration and its budgetary policy and spending priorities, we continue to believe this is a temporary situation and overall the Marine Engineering Business is set to grow in the next fiscal year.

The Company evaluates performance and allocates resources based upon operating income. The accounting policies of the reportable segments are the same as those described in the summary of accounting policies in Note 2 to the Consolidated Financial Statements included in our Form 10/A.

See Note 13 to the Condensed Consolidated Unaudited Financial Statements which provides break-out of the Segments for 2017 Nine Months Period compared to the 2016 Nine Months Period.

Liquidity and Capital Resources

At July 31, 2017, the Company had an accumulated deficit of $36,350,872, working capital of $11,221,763 and stockholders' equity of $14,894,365. For the 2017 Nine Months Period, the Company generated cash flow from operations of $4,207,660.

On April 28, 2017, the Company and its wholly-owned US based subsidiaries, Coda Octopus Products, Inc. and Coda Octopus Colmek, Inc. (together, the "Subsidiaries"), entered into a loan agreement with HSBC Bank NA (the "Lender") for a loan in the principal amount of $8,000,000 (the "Loan"). The annual interest rate is fixed at 4.56%. Commencing on May 28, 2017 and continuing on the 28th day of each month thereafter, the Company is required to make monthly principal and interest payments of $149,350 until April 28, 2022. In addition, within 30 days after the delivery to the Lender of the Company's annual audited financial statements, the Company is required to make an annual principal payment of $700,000 during the term of the Loan. Such annual payments will reduce the balance of the principal outstanding. As a result, it is expected that the Loan will be repaid within a period of approximately 45 months. The Loan may be prepaid in whole or in part at any time subject to a break funding charge as detailed in the promissory note evidencing the Loan. This Loan is also guaranteed jointly and severally by each of the overseas subsidiaries of Coda Octopus Group, Inc.

The obligations in connection with the repayment of the Loan are secured by all assets of Coda Octopus Group, Inc., and its US Subsidiaries. Our foreign subsidiaries are joint and several guarantors of the obligations.

The proceeds from the Loan were used to repay in its entirety the outstanding principal balance of $8,000,000 under secured debentures (the "Debentures") that were issued by the Company in February 2007 and that were most recently held by CCM Holdings, LLC. ("CCM"). Accrued and unpaid interest under the Debentures of approximately $1,133,261 was satisfied through the issuance to CCM of 1,000 shares of Series C Convertible Preferred Stock, par value $0.001, with a stated value of $1,000 each (the "Preferred Stock"). The Preferred Stock is convertible at the option of either the holder or the Company at a conversion price of $5.00 for each Series C Preferred Stock held.

The Company paid the balance in cash.

Inflation and Foreign Currency

The Company maintains its books in local currency: US Dollars, British Pound, Australian Dollars and Norwegian and Danish Kroner for its United States, United Kingdom, Australian, Norwegian and Danish operations, respectively.

The Company's operations are conducted in the United States, and through its wholly-owned subsidiaries, in the United Kingdom, Australia and Norway. As a result, fluctuations in currency exchange rates do significantly affect the Company's sales, profitability and financial position when the foreign currencies of its international operations are translated into U.S. dollars for financial reporting. In addition, we are also subject to currency fluctuation risk with respect to certain foreign currency denominated receivables and payables. The Company cannot predict the extent to which currency fluctuations may affect the Company's business and financial position, and there is a risk that such fluctuations will have an adverse impact on the Company's sales, profits and financial position. Also, because differing portions of our revenues and costs are denominated in foreign currency, movements can impact our margins by, for example, decreasing our foreign revenues when the dollar strengthens without correspondingly decreasing our expenses. The Company does not currently hedge its currency exposure.

In the reporting period, the translation of the Company's UK operations' British Pound denominated balance sheets into US dollars has been affected by the weakening of the average value of the British pound against the US dollars in the relevant time periods from $1.42 during the 2016 Nine Months Period to $1.27 in the 2017 Nine Months Period. These are the values that have been used in the calculations below. In the reporting period both the Australian Dollars and Norwegian Kroner strengthened against the US Dollar slightly.

The impact of these currency fluctuations on the three months ended July 31, 2017 is shown below. In this context "Constant Rates" is defined as the weighted average exchange rate prevailing in the Previous Quarter.

	GBP		AUD		NOK		Total
	Actual Results	**Constant rates**	**Actual Results**	**Constant rates**	**Actual Results**	**Constant rates**	**Effect**
Revenues	3,032,177	3,182,701	551,063	531,543	0	0	(131,005)
Costs	(1,638,058)	(1,719,375)	(259,378)	(250,191)	(30,265)	(29,655)	71,516
Net Income (Losses)	1,394,119	1,463,326	291,684	281,351	(30,265)	(29,655)	(59,487)
Assets	11,758,202	11,801,128	405,442	385,507	94,556	88,427	(16,862)
Liabilities	(633,113)	(635,424)	(24,324)	(23,128)	(4,378)	(4,095)	832
Net Assets	11,125,089	11,165,704	381,118	362,372	90,178	84,333	(16,030)

This table shows that the effect of constant exchange rates, versus the actual exchange rate fluctuations, decreased profits for the Current Quarter by $59,487 and decreased net assets by $16,030. In addition, the Company booked transactional exchange rate gains of $13,638 during the Current Quarter. All of these amounts are material to our overall financial results.

The impact of these currency fluctuations on the nine months ended July 31, 2017 is shown below. In this context "Constant Rates" is defined as the weighted average exchange rate prevailing in the 2016 Nine Months Period.

	GBP		AUD		NOK		Total
	Actual Results	**Constant rates**	**Actual Results**	**Constant rates**	**Actual Results**	**Constant rates**	**Effect**
Revenues	7,777,912	8,702,173	1,277,896	1,245,603	0	0	(891,968)
Costs	(5,399,052)	(6,040,629)	(856,892)	(835,238)	(94,708)	(93,777)	618,992
Net Income (Losses)	2,378,860	2,661,544	421,004	410,365	(94,708)	(93,777)	(272,976)
Assets	11,758,202	11,801,128	405,442	385,507	94,556	88,427	(16,862)
Liabilities	(633,113)	(635,424)	(24,324)	(23,128)	(4,378)	(4,095)	832
Net Assets	11,125,089	11,165,704	381,118	362,372	90,178	84,332	(16,030)

This table shows that the effect of constant exchange rates, versus the actual exchange rate fluctuations, decreased profits for the 2017 Nine Months Period by $272,976 and decreased net assets by $16,030. In addition, the Company booked transactional exchange rate loss of $90,965 during the 2017 Nine Months Period. All of these amounts are material to our overall financial results.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Item 3. Qualitative and Quantitative Disclosures About Market Risk

Not required for smaller reporting companies.

Item 4. Controls and Procedures

a) Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's 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 under the Exchange Act is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, under the supervision and with the participation of the Company's Chief Executive Officer and the Chief Financial (and principal accounting) Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act) as of July 31, 2017. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) Changes in Internal Controls.

There was no change in our internal controls over financial reporting that has materially affected, or is reasonable likely to materially affect, our internal control over financial reporting during the quarter covered by this Report.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. Except as described below, we are currently not aware of any such legal proceedings that we believe will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

We are currently not engaged in any lawsuits.

Item 1A. Risks Factors

Not required for smaller reporting companies

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

None that are required to be reported herein.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Item 6. Exhibits

31	Certifications of the Chief Executive Officer and Acting Chief Financial Officer pursuant to Rule 13a-14(a)
32	Certifications of Chief Executive Officer and Acting Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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 thereunto duly authorized.

Coda Octopus Group, Inc. (Registrant)

Date: September 14, 2017	*/s/ Annmarie Gayle* Annmarie Gayle Chief Executive Officer
Date: September 14, 2017	*/s/ Michael Midgley* Michael Midgley Acting Chief Financial Officer

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Rule 13a-14(a) adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Annmarie Gayle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Coda Octopus Group, Inc. for the quarter ended July 31, 2017;

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.

Date: September 14, 2017

By: */s/ Annmarie Gayle*
Annmarie Gayle
Chairman and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
Pursuant to Rule 13a-14(a) adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael Midgley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Coda Octopus Group, Inc. for the quarter ended July 31, 2017;

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.

Date: September 14, 2017

By: */s/ Michael Midgley*
Michael Midgley
Acting Chief Financial Officer
(Principal Financial and Accounting Officer)

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 on Form 10-Q of Coda Octopus Group, Inc., a Delaware corporation (the "Company"), for the period ended July 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Annmarie Gayle, Chief Executive Officer of the Company, and Michael Midgley, Acting Chief 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:

(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 results of operations of the Company.

Dated: September 14, 2017

/s/ Annmarie Gayle
Annmarie Gayle
Chairman and Chief Executive Officer
(Principal Executive Officer)

/s/ Michael Midgley
Michael Midgley
Acting Chief Financial Officer
(Principal Financial and Accounting Officer)