



13013592

SEC  
Mail Processing  
Section

FEB 20 2013

Washington DC  
401

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

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III  
FACING PAGE

OMB APPROVAL
OMB Number: 3235-0123
Expires: April 30, 2013
Estimated average burden hours per response . . . 12.00

10  
3/8

SEC FILE NUMBER
8-44868

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/12 AND ENDING 12/31/12  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER - DEALER:

BHIRUD ASSOCIATES, INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

6 THORNDAL CIRCLE, SUITE 205

(No. and Street)

DARIEN

(City)

CONNECTICUT

(State)

06820

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

SURESH L. BHIRUD - PRESIDENT

(203) 662-6659

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

VB&T CERTIFIED PUBLIC ACCOUNTANTS, PLLC

(Name - if individual, state last, first, middle name)

250 West 57<sup>th</sup> Street, Suite 1632

(Address)

New York

(City)

New York

(State)

10107

(Zip Code)

**CHECK ONE:**

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

EM  
3/8/13

# VB&T

Certified Public Accountants, PLLC

250 W57th Street  
Suite 1632  
New York, NY 10107  
T:1.212.448.0010  
F:1.888.99.PCAOB (72262)

E-mail:  
[fvb@getcpa.com](mailto:fvb@getcpa.com)  
[rtse@getcpa.com](mailto:rtse@getcpa.com)  
[info@getcpa.com](mailto:info@getcpa.com)  
[www.getcpa.com](http://www.getcpa.com)

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of  
Bhirud Associates, Inc.

### **Report on the Financial Statements**

We have audited the accompanying balance sheet of Bhirud Associates, Inc. (the Company) as of December 31, 2012, and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bhirud Associates, Inc as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information contained on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information on page 9 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on page 9 is fairly stated in all material respects in relation to the financial statements as a whole.

*VB&T CERTIFIED PUBLIC ACCOUNTANTS, PLLC*

New York, NY  
January 31, 2013

**Registered with the Public Company Accounting Oversight Board  
Member of the American Institute of Certified Public Accountants**

**BHIRUD ASSOCIATES, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2012**

**ASSETS**

Cash	\$ 38,353
Marketable securities, at fair value	13,685
Prepaid expense	2,212
Other receivable	22,500
Property and equipment, net of accumulated depreciation	<u>3,599</u>
 Total Assets	 <u><u>\$ 80,349</u></u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Accounts payable and accrued expenses	\$ 3,643
Margin payable	<u>804</u>
 Total Liabilities	 <u>4,447</u>
 Contingencies	 -
 Stockholder's Equity:	
Common stock, no par value, 200 shares authorized, 100 shares issued and outstanding	30,000
Additional paid-in capital	112,277
Accumulated (deficit)	<u>(66,375)</u>
 Total Stockholder's Equity	 <u>75,902</u>
 Total Liabilities and Stockholder's Equity	 <u><u>\$ 80,349</u></u>

See Independent Accountants' Report and Accompanying Notes

**BHIRUD ASSOCIATES, INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>Revenues:</b>	
Commissions	\$ 5,354
Fee income	163,037
(Loss) on securities	(1,021)
Interest and dividend income	13
Other income	<u>1,836</u>
Total Revenue	<u>169,219</u>
<b>Costs and Expenses:</b>	
Officer's compensation	55,500
Clearing costs	2,063
Dues and subscriptions	19,482
Salaries & wages	24,700
Payroll taxes and employee benefits	14,777
Travel and automobile	13,945
Rents	6,000
Meals and entertainment	8,891
Office supplies and expenses	7,787
Telephone	5,888
Professional fees	3,996
Insurance	1,897
Marketing and promotion	885
Regulatory fees	1,270
SIPC	518
Depreciation	205
Taxes	1,032
Interest	<u>27</u>
Total Costs and Expenses	<u>168,863</u>
Net Income	<u><u>\$ 356</u></u>

See Independent Accountants' Report and Accompanying Notes

**BHIRUD ASSOCIATES, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Cash Flows From Operating Activities:	
Net Income	\$ 356
Adjustment to reconcile net income to net cash (used) by operating activities:	
Changes in operating assets and liabilities:	
Depreciation expense	205
Decrease in receivable from clearing broker	765
Decrease in marketable securities	5,516
(Increase) in prepaid expense	(726)
(Increase) in other receivable	(10,000)
(Decrease) in accounts payable and accrued expenses	(1,215)
(Decrease) in margin payable	<u>(280)</u>
Net Cash (Used) by Operating Activities	<u>(5,379)</u>
Cash Flows from Investing Activities:	
Stockholder distributions, net	<u>(49,600)</u>
Net Cash (Used) by Investing Activities	<u>(49,600)</u>
Cash Flows from Financing Activities:	
	-
Net (Decrease) In Cash	<u>(54,979)</u>
Cash, January 1, 2012	<u>93,332</u>
Cash, December 31, 2012	<u><u>\$ 38,353</u></u>

See Independent Accountants' Report and Accompanying Notes

**BHIRUD ASSOCIATES, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Accumulated (deficit)</u>	<u>Total Stockholder's Equity</u>
Balance, January 1, 2012	\$ 30,000	\$ 161,877	\$ (66,731)	\$ 125,146
Net Income	-	-	356	356
Stockholder distributions, net	<u>-</u>	<u>(49,600)</u>	<u>-</u>	<u>(49,600)</u>
Balance, December 31, 2012	<u>\$ 30,000</u>	<u>\$ 112,277</u>	<u>\$ (66,375)</u>	<u>\$ 75,902</u>

See Independent Accountants' Report and Accompanying Notes

**BHIRUD ASSOCIATES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**1. ORGANIZATION AND NATURE OF BUSINESS**

Bhirud Associates, Inc. (the "Company") is registered as a broker-dealer and investment advisor under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corp. (SIPC).

The Company's business includes clearing its transactions on a fully disclosed basis through its clearing broker. The Company acts as a broker-dealer and is exempt from Securities and Exchange Commission Rule 15c3-3 under paragraph k(2)(ii) and is not responsible for compliance with Section 4(c) of Regulations T of the Board of Governors of the Federal Reserve System, as all customers' accounts, as defined by such rules, are carried by the clearing firm.

The Company has a small number of customers, with one major customer being the Apex Mid Cap Growth Fund. The sole stockholder of Bhirud Associates, Inc. is the portfolio manager of the fund.

The Company is engaged as a securities broker-dealer and investment advisor, and limits its business to agency and riskless principal transactions.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Revenues**

Commissions are recorded on settlement date, which is not materially different than trade date.

Fee Income - Fees are for research services as these services are provided on both an ongoing and on a demand basis. The Company bills for these fees as they are earned.

**Securities Sales**

The Company trades for its account recording regular-way trades on the settlement date, which is not materially different than trade date. During the year ended December 31, 2012, the Company had net losses (realized and unrealized) on securities of \$1,021.

**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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**BHIRUD ASSOCIATES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**Basis of Presentation**

The Company is engaged in a single line of business as a securities broker-dealer, which comprises several classes of services, including agency transactions and research services.

**Property and Equipment**

Property and equipment is stated at cost and is depreciated over the estimated useful lives of the assets based on accelerated methods.

**3. NET CAPITAL REQUIREMENTS**

The Company is a member of the FINRA and subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital of \$5,000 and requires that the ratio of aggregate indebtedness to net capital, both as defined shall not exceed 15 to 1. At December 31, 2012 the Company had net capital of \$68,038 which was \$63,038 in excess of the amount required.

**4. LEASE**

The Company has not entered into a lease with the landlord, but has an agreement to pay \$500.00 per month. The Company does have to give two months notice if the Company wants to move from the premises.

**5. INCOME TAXES**

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal income taxes on its corporate income. Instead, the stockholder is liable for individual federal income taxes on his share of the Company's income, deductions, losses and credits.

**6. CONTINGENCIES**

In the normal course of business, the Company is engaged in various trading and brokerage activities on an agency basis through a clearing broker. In connection with these activities, a customer's unsettled transactions may expose the Company to off-balance-sheet risk in the event the customer is unable to fulfill its contractual obligations. Significant credit exposure may result in the event that the Company's clearing broker is unable to fulfill their contractual obligation. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

**BHIRUD ASSOCIATES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**7. FAIR VALUE**

The Company's financial instruments approximate fair value.

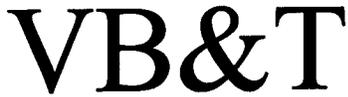
**8. RELATED PARTY TRANSACTIONS**

As discussed in the nature of operations footnote, the company's sole stockholder is the portfolio manager of the Apex Mid Cap Growth Fund, which was closed in 2012. In addition to the revenue generated, the Company pays rent and other administrative costs of the fund and is entitled to receive reimbursement for these costs. During the year ended December 31, 2012, the Company irrevocably waived its right to such reimbursement.

**BHIRUD ASSOCIATES, INC.**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE**  
**SECURITIES AND EXCHANGE COMMISSION**  
**DECEMBER 31, 2012**

<b>NET CAPITAL:</b>	
Total stockholder's equity	\$ 75,902
<b>Deductions and/or charges:</b>	
Non-allowable assets:	
Prepaid expense	(2,212)
Property and equipment, net	<u>(3,599)</u>
Net capital before haircuts on securities positions	<u>70,091</u>
Haircuts on securities positions	<u>(2,053)</u>
Undue concentration	<u>-</u>
Net Capital	<u><u>\$ 68,038</u></u>
<b>AGGREGATE INDEBTEDNESS:</b>	
Items included in the statement of financial condition:	
Accounts payable and accrued expenses	<u><u>\$ 4,447</u></u>
<b>COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:</b>	
Minimum net capital required (6-2/3% of aggregate indebtedness)	<u>\$ 296</u>
Minimum net capital required	<u><u>\$ 5,000</u></u>
Excess net capital	<u><u>\$ 63,038</u></u>
Net capital less greater of 10% of total AI or 120% of min. net capital	<u><u>\$ 62,038</u></u>
Percentage of aggregate indebtedness to net capital is	<u>7%</u>

The above computation does not differ materially from the December 31, 2012 computation of net capital filed electronically by the Company on FOCUS Form X-17A-5 Part IIA.



Certified Public Accountants, PLLC

250 W57th Street  
Suite 1632  
New York, NY 10107  
T:1.212.448.0010  
F:1.888.99.PCAOB (72262)

E-mail:  
[fvb@getcpa.com](mailto:fvb@getcpa.com)  
[rtse@getcpa.com](mailto:rtse@getcpa.com)  
[info@getcpa.com](mailto:info@getcpa.com)  
[www.getcpa.com](http://www.getcpa.com)

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON  
INTERNAL ACCOUNTING CONTROL REQUIRED BY SEC RULE 17a-5**

To the Board of Directors of  
Bhirud Associates, Inc.

In planning and performing our audit of the financial statements of Bhirud Associates, Inc. (the Company), as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's previously mentioned objectives. Two of the objectives of internal control and

**Registered with the Public Company Accounting Oversight Board  
Member of the American Institute of Certified Public Accountants**

the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2012, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*VB&T CERTIFIED PUBLIC ACCOUNTANTS, PLLC*

New York, NY  
January 31, 2013

**Registered with the Public Company Accounting Oversight Board  
Member of the American Institute of Certified Public Accountants**

**SEC  
Mail Processing  
Section**

**FEB 20 2013**

**Washington DC  
401**

**BHIRUD ASSOCIATES, INC.  
(SEC I.D. No. 8-44868)  
FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012  
AND  
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
AND  
SUPPLEMENTAL REPORT ON INTERNAL CONTROL**