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| FORM 4 |
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U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
[] Check this box if no longer subject to Section 16.
Form 4 or Form 5 obligations may continue. See Instruction 1(b).
STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP
Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(f) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person*

Aliabadi Manoocher M.
(Last) (First) (Middle)
(Street)
(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol OSI Systems, Inc. (OSIS)

3. IRS or Identification Number of Reporting Person if an entity (Voluntary)

4. Statement for Month/Year

5. If Amendment, Date of Original (Month/Year)

6. Relationship of Reporting Person(s) to Issuer (Check all applicable)

[] Director [X] Officer [] 10% Owner [] Other
(give title below) (specify below)
Vice-President, New Product Development UDT Sensors, Inc. (Subsidiary)

7. Individual or Joint/Group Filing (Check Applicable Line)

[X] Form filed by One Reporting Person
[] Form filed by More than One Reporting Person

TABLE I--NON-DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWNED

1. Title of Security (Instr. 3)	2. Trans-action Date (Month/Day/Year)	3. Trans-action Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 and 4)	6. Owner-ship Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of In-direct Bene-ficial Owner-ship (Instr. 4)
		Code	V Amount (A) or (D) Price			
Common Stock	10-5-98	M	3,000 A \$2.00		D	
Common Stock	10-5-98	M	7,500 A \$2.83	61,144	D	

Reminder: Report on a separate line for each class of securities beneficially

owned directly or indirectly.

* If this form is filed by more than one reporting person, see Instruction 4(b)(v).

TABLE II--DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWNED
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	
			Code	V	(A)	(D)

TABLE II--DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWNED
(e.g., puts, calls, warrants, options, convertible securities)--CONTINUED

6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned at End of Month (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (1) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
Date Exercisable	Expiration Date	Title	Amount or Number of Shares				

Explanation of Responses:

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.
See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed.
If space provided is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

/s/ Manoocher Aliabadi11/10/98

**Signature of Reporting PersonDate