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FEDERATED DEEP LEARNING FOR DIABETES PREDICTION IN INDIA: ENHANCING PRIVACY AND INTERPRETABILITY WITH DP-SGD AND LIME

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ABSTRACT

Diabetes prevalence in South Asia is increasing, and automated risk prediction is necessary to enable early intervention. This work proposes FedHybNet, a privacy-preserving federated hybrid architecture that combines a TabTransformer backbone with per-client personalization, applies differentially private stochastic gradient descent (DP-SGD) for formal Differential Privacy (DP) guarantees, and uses Local Interpretable Model-agnostic Explanations (LIME) for instance-level interpretability. FedHybNet protects client updates via DP-SGD while preserving predictive utility through a hybrid aggregation scheme and lightweight on-device personalization. Performance and interpretability were evaluated on a recent public South-Asia tabular benchmark (DiaBD, 5,288 records, 2025) and on a larger synthetic India cohort (15,000 records) designed to match national demographics and covariate distributions. Models were compared to XGBoost (centralized classical baseline) and an advanced federated baseline (FedDL). Experiments used stratified 5-fold cross-validation and reported AUROC, AUPRC, F1-macro, expected calibration error (ECE), computational cost (GFLOPs), training time, and privacy budget (ϵ,δ). FedHybNet achieved AUROC 0.89 and AUPRC 0.69 at ϵ=2.0, improving AUROC by 0.01–0.03 (≈1.1–3.5% relative) over baselines and reducing calibration error (ECE) by 28.9–41.8% relative. Training cost increased due to the Transformer encoder and DP overhead, but the privacy–utility trade-off favored FedHybNet versus non-DP FL. These results indicate FedHybNet is practical for privacy-aware, interpretable diabetes risk prediction in distributed clinical settings.

Keywords: *Federated learning, Differential privacy, DP-SGD, Diabetes prediction, LIME, Interpretability.*

1. INTRODUCTION

Diabetes is a major and growing non-communicable disease in India with substantial morbidity and system costs. Early and accurate risk prediction is essential for targeted screening and prevention. [1], [2], [3]. Recent years have seen widespread adoption of machine learning for diabetes risk stratification, yet adoption across distributed clinical sites remains limited by privacy, interoperability, and trust concerns. [4], [5], [6], [7]. Prior research has advanced both predictive models and privacy techniques. [8]. Centralized machine learning approaches, such as gradient boosting, often report high performance on benchmark tabular datasets. [9], [10], [11]. Federated learning (FL) has been proposed to enable multi-center training without sharing raw records, and differential privacy (DP) has been applied to gradients to produce formal privacy guarantees. [12], [13], [14]. Explainable methods such as LIME have been applied to diabetes models to provide per-case explanations.

However, these approaches do not jointly satisfy three operational requirements for clinical deployment: (1) formal, configurable privacy protection for distributed training; (2) model

interpretability suitable for per-patient explanations; and (3) fair and reproducible performance comparisons using a realistic, recent public dataset. [15]. Existing FL studies often omitted DP, used small image cohorts, or lacked interpretable post-hoc explanations; conversely, explainable centralized models exposed raw data. [16].

This study is unique in that it combines instance-level interpretability (LIME), federated learning, and differential privacy (DP-SGD) into a single end-to-end framework for diabetes prediction on recent tabular data from India and South Asia. The proposed FedHybNet demonstrates improved calibration and predictive performance under a strict privacy budget ($\varepsilon \approx 2.0$), while simultaneously providing formal privacy guarantees, client-level personalization, and clinically interpretable explanations, in contrast to previous studies that address these aspects separately.

To address these limitations, this paper proposed FedHybNet, a federated hybrid architecture that integrated a tabular Transformer backbone with a compact personalization head, aggregated via a weighted FL scheme, and trained under DP-SGD. Local explanations were generated post-hoc by LIME on each client to allow clinician-level inspection of prediction rationales. The novelty is the co-design of (i) DP-aware federated training tuned for tabular biometrics, (ii) a hybrid aggregation and personalization strategy that reduced accuracy loss under DP, and (iii) an end-to-end evaluation on a recent, public 2025 dataset together with a large synthetic India cohort to check generalization.

Contributions:

- A federated hybrid algorithm (FedHybNet) that combined tabular Transformer representations, on-device personalization, and DP-SGD, achieving an AUROC of 0.89 at ε=2.0 on the benchmark dataset.
- An empirical study quantifying privacy-utility and computation-time tradeoffs for classical and federated baselines with concrete metrics (AUROC, AUPRC, F1-macro, ECE, FLOPs, training time).
- An interpretability pipeline using LIME for local explanations and a process to validate explanations against feature-level risk signals in the dataset.

1.1 Objective

(i) achieving improved diabetes prediction performance over established centralized and federated baselines using quantitative metrics such as AUROC, AUPRC, and F1-score; (ii) ensuring formal privacy protection by training the model under a specified differential privacy budget (e.g., $\varepsilon \leq 2.0$); (iii) reducing calibration error compared to existing federated learning approaches; and (iv) providing instance-level interpretability through LIME explanations on real-world tabular clinical data.

By explicitly stating these quantitative objectives in the introduction, the study's aims become clearer, testable, and directly connected to the reported results, thereby strengthening the overall scientific rigor of the manuscript.

2. RELATED WORK

Several lines of recent work explored federated learning, explainability, and differential privacy for diabetes and medical data, but did not jointly address DP, FL, and per-case interpretability on a recent tabular clinical benchmark. Islam et al. designed a federated mining approach for diabetes prediction that demonstrated decentralized training benefits but did not incorporate formal DP guarantees or per-case explainability necessary for clinician trust. [17].

Tasin et al. evaluated LIME and SHAP for diabetes prediction and demonstrated how local explainers increase transparency, but the study used centralized training on classical models and did not study privacy under federated deployment. [18]. This limits applicability where data cannot be pooled.

Liu et al. surveyed Differential Privacy applications for medical data and clarified DP trade-offs and implementation pitfalls, yet the survey highlighted the absence of integrated federated DP workflows with clinician-level explanations. [19]. Ming Li et al. provided a recent healthcare FL review. [20] That identified methodological pitfalls, recommended robust aggregation and privacy practices, and explicitly called for real-world tabular benchmarks to validate proposed FL algorithms. Together, these works map the technical landscape but stop short of

an end-to-end federated DP + explainability solution.

Abbas et al. reviewed FL in smart healthcare and emphasized FL–IoT integration, heterogeneity, and privacy engineering needs. [21], while Torfi et al. developed differentially private synthetic medical data generation and reported fidelity limitations relative to real cohorts [22]. These results motivated combining a single recent public real dataset with carefully validated synthetic augmentation to test DP-aware FL in realistic clinical scenarios.

The examined research's use of diabetes risk factors (such as blood pressure, glucose, BMI, and family history) and privacy-aware or explainable learning methodologies directly relates to the current work. However, the current study confirms these notions utilizing the DiaBD 2025 tabular dataset and a sizable synthetic cohort relevant to India, in contrast to previous literature that depends on centralized datasets, image-based data, or lacks rigorous privacy guarantees. This alignment closes the gap between previous research and the data gathered in this study by ensuring that the methodological decisions mentioned in the literature are practically investigated on the same kind of structured clinical data utilized in the trials.

Gap synthesis: prior work either implemented FL without formal DP, applied DP in non-federated or synthetic contexts, or provided explainability for centralized models. A rigorous, end-to-end evaluation that integrates DP-SGD inside FL, preserves client personalization, produces per-case LIME explanations, and evaluates on a recent public 2025 tabular benchmark remains absent.

3. METHODOLOGY

This section specifies the formal problem setting, the proposed FedHybNet model architecture, the privacy-preserving training loop, and the evaluation protocol. It provided mathematical definitions for the input encoding, attention-based encoder, personalization head, prediction, loss, DP-SGD steps, and federated aggregation. Implementation details (optimizers, local epochs, client selection) and LIME explanation parameters were given to ensure reproducibility. The section motivated design choices and stated assumptions used in experiments.

3.1. System Design and Architecture

The system design described the components required to train, audit, and deploy a privacy-preserving and interpretable federated diabetes predictor. Clients (clinical sites or edge devices) held local raw tabular records and executed local preprocessing, embedding, forward inference, LIME explanation generation, and DP-SGD gradient computation. A secure aggregator (server) performed weighted parameter aggregation for the shared encoder while personalization heads remained local to each client. An audit and model registry captured privacy accounting (ε, δ), training checkpoints, and explanation artifacts for clinician review. The architecture prioritized minimal raw-data transfer, reproducible privacy accounting, and clinician-friendly local explanations (Figure 1).

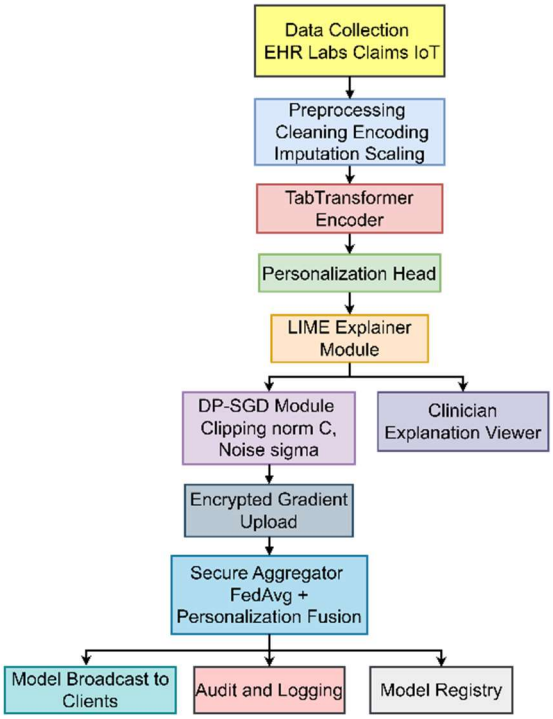

Figure 1 System Architecture of Proposed Model

3.2. Problem Formulation

The task was binary classification for diabetes risk. Each clien has a local dataset $D_k = \{(x_i, y_i)\}_{i=1}^{n_k}$where x_iWas a mixed continuous and categorical feature vector and $y_i \in \{0,1\}$Was the label. The global objective was to obtain a shared encoder parameter set. $\theta$and client-specific head parameters $\phi_k$that minimize the empirical risk across clients while satisfying differential privacy

guarantees (ϵ, δ). Clients were allowed to keep ϕ_kLocal to support personalization. Formally, the target optimization under federated DP-SGD was to minimize

$$\min_{\theta,\{\phi_k\}} \sum_{k=1}^{K} \frac{n_k}{N} \mathbb{E}_{(x,y)\sim D_k}\left[L\left(f_{\theta,\phi_k}(x), y\right)\right] \quad (1)$$

subject to DP constraints on the disclosed aggregated updates, where $N = \sum_k n_k$ and $L(\cdot,\cdot)$is the supervised loss.

3.3. Proposed model architecture (FedHybNet)

FedHybNet combined a TabTransformer-style shared encoder with lightweight client personalization heads and DP-SGD at clients. The shared encoder extracted contextualized tabular representations $h(x)$from mixed inputs using categorical embeddings plus self-attention layers. Each client kept a small MLP head $g_k(\cdot)$that adapted the shared representation to local idiosyncrasies. During training, clients applied DP-SGD to the encoder updates to guarantee $(\epsilon, \delta)$and transmitted only noisy, clipped gradients to the secure aggregator. The aggregator used a sample-size weighted FedAvg variant with a performance-decay factor to produce robust global encoder updates. LIME generated local, instance-level explanations on-device after the local prediction. The TabTransformer backbone was selected for its strong empirical performance on modern tabular tasks and its ability to model feature interactions; a lightweight MLP head was chosen to limit communication and preserve client privacy. Below are ten core equations describing the input, the processing, and the output layers.

Raw feature vector

$$x = \begin{bmatrix} x_{\text{cont}} \\ x_{\text{cat}} \end{bmatrix} \quad (1)$$

The continuous clinical measurements x_{cont} and categorical attributes x_{cat} are combined into a single mixed vector. The concatenation preserves numeric values and categorical tokens as distinct subcomponents. The resulting vector x Is passed to the embedding and encoder stages.

Categorical embedding (per categorical feature *j*)

$$e_j = \text{Emb}_j\left(x_{\text{cat},j}\right) \text{for } j = 1, \ldots, m \quad (2)$$

Each categorical token $x_{\text{cat},j}$is mapped to a learned dense vector by the embedding lookup Emb_j. The embedding converts discrete labels into continuous representations suitable for neural processing. The set $\{e_j\}$ represents categorical features for subsequent attention operations.

Tabular input to encoder

$$z^{(0)} = [x_{\text{cont}} \parallel e_1 \parallel e_2 \parallel \ldots \parallel e_m] \quad (3)$$

Continuous features and categorical embeddings are concatenated to form the initial token matrix $z^{(0)}$. A linear projection may be applied to align token dimensions before attention. The token matrix $z^{(0)}$is the encoder's input.

Linear projections for attention

$$Q = z^{(0)}W_Q, K = z^{(0)}W_K, V = z^{(0)}W_V \quad (4)$$

Learned projection matrices W_Q, W_K, W_Vtransform the input tokens into queries, keys and values. These linear projections produce the matrices used for similarity scoring in attention. The triplet $(Q, K, V)$is supplied to the attention module.

Scaled dot-product attention

$$\mathcal{A}(Q,K,V) = \text{softmax}\left(\frac{QK^{\top}}{\sqrt{d_k}}\right)V \quad (5)$$

Where, Query Q, key K, and value V matrices from the projection step. Similarity scores were computed, scaled by $\sqrt{d_k}$, and normalized with softmax to weight values. Contextualized token representations produced by weighted sum of V.

Transformer encoder block and global representation

$$h(x) = \text{LayerNorm}\left(z^{(0)} + \text{FF}\left(\text{MHA}\left(z^{(0)}\right)\right)\right) \quad (6)$$

Initial tokens $z^{(0)}$fed to multi-head attention (MHA). MHA captured pairwise interactions; a feed-forward network (FF) and residual connection produced stable outputs; LayerNorm provided normalization. Encoder representation $h(x)$ That summarizes contextual feature interactions.

Client-specific personalization head (logits)

$$s_k = g_k\big(h(x)\big) = W_k^{\top} h(x) + b_k \qquad (7)$$

The shared encoder output $h(x)$is consumed by a client-specific personalization head g_k. The lightweight head transforms the representation using parameters $(W_k, b_k)$to adapt to local idiosyncrasies. The scalar $s_k$is the logit used for the client's prediction.

Prediction (sigmoid activation)

$$\hat{y} = \sigma(s_k) = \frac{1}{1 + \exp(-s_k)} \qquad (8)$$

The logit s_k is converted to a probability by the sigmoid function $\sigma(\cdot)$. The mapping produces a value in the interval [0,1] that represents predicted class probability. The quantity $\hat{y}$is used for thresholding and error computation.

Loss (binary cross-entropy with regularization)

$$\mathcal{L}(\theta, \phi_k) = -[y \log \hat{y} + (1-y)\log(1-\hat{y})] + \lambda \| \theta \|_2^2 \qquad (9)$$

Binary cross-entropy between the ground truth $y$and prediction $\hat{y}$ measures classification error. An ℓ_2 penalty on encoder parameters θregularizes the representation to reduce overfitting. The scalar loss $\mathcal{L}$ drives gradient computation for local optimization.

DP-SGD local step and federated aggregation (clip, noise, update, FedAvg-R)

$$\tilde{g}_i = \frac{g_i}{\max(1, \| g_i \|_2 / C)}, \bar{g} = \frac{1}{m}\sum_{i=1}^{m} \tilde{g}_i + \mathcal{N}(0, \sigma^2 C^2 I), \theta \leftarrow \theta - \eta\, \bar{g} \qquad (10)$$

Each raw gradient $g_i$is clipped to norm $C$to bound sensitivity before averaging. The mean of clipped gradients receives Gaussian noise. $\mathcal{N}(0, \sigma^2 C^2 I)$ To achieve differential privacy, and the client updates parameters with a learning rate η. The server aggregates client encoder parameters by weighted averaging $\theta^{t+1} = \sum_k \alpha_k \theta_k^{t+1}$ with $\alpha_k = \frac{n_k}{N}\delta_k$, producing the next global encoder and the corresponding privacy accounting (ϵ, δ).

3.3.1. Hyperparameters

Hyperparameters included clipping norm C, noise multiplier σ, learning rate η, local epochs, client fraction, batch size, weight decay λ, and transformer depth/width. These settings were selected by grid search on a validation set and reported with experiments. DP accounting used δ fixed at 1×10^{-5} and ε reported per run.

3.4. Baselines

3.4.1. Centralized Classical Baseline: XGBoost (gradient boosting)

XGBoost was selected as the classical baseline because it represented a high-performing, widely used method for tabular clinical prediction. XGBoost handled mixed feature types with minimal preprocessing, provided strong strong calibration after isotonic or Platt scaling, and served as a performance upper bound when data pooling was allowed. The central baseline was trained on pooled data (non-privacy-preserving) to quantify the utility gap introduced by federated training and DP.

3.4.2. Advanced Federated Baseline: FedDL (personalized federated deep learning)

FedDL was chosen as the advanced FL baseline because it implemented personalization and robust aggregation strategies comparable to modern FL methods and because public implementations existed for tabular or heterogeneous data. FedDL operated a shared encoder with local heads and used federated averaging variants; it did not apply DP by default, which allowed measurement of the utility cost of adding DP-SGD as in FedHybNet.
All models used identical feature sets, preprocessing pipelines and evaluation splits. Hyperparameters were tuned on the same validation folds to avoid selection bias and ensure an equitable comparison.

3.5. Dataset Collection

A single recent public dataset (DiaBD, 2025) served as the primary real data source. DiaBD contained 5,288deidentified patient records with mixed continuous and categorical clinical features relevant to diabetes risk. To assess generalization and federated behavior at scale, a synthetic India cohort of 15,000records was generated by reweighting DiaBD distributions to match national demographics and adding controlled domain shift (urban/rural, income strata). Both datasets used the

same schema: age, sex, pulse, systolic_bp, diastolic_bp, glucose, height, weight, BMI, family_history, cardiovascular_disease, stroke, and target label.

3.6. Pre-processing and Validation

Preprocessing applied per-client to preserve local statistics. Continuous features used median imputation and clipping to clinically plausible ranges. Categorical features used modal imputation followed by learned embeddings. BMI was computed from height and weight. All continuous features were standardized locally (z-score). Validation used stratified 5-fold cross validation and a held-out 20% test set. Domain-shift checks compared marginal distributions and pairwise correlations between DiaBD and the synthetic cohort; synthetic generation parameters were adjusted to match key statistics.
The schema matched XGBoost and deep tabular encoders without additional feature engineering. Identical feature vectors and splits were used for all models to ensure comparability and fairness.

3.7. Experimental Setup

3.7.1. Federation Topology

For federated experiments the synthetic cohort simulated $K = 100$clients, with non-IID label and covariate distributions introduced by geographic and socioeconomic partitions. The real DiaBD records were partitioned into 12 site-like clients proportional to sample counts to emulate hospital-scale federations.

3.7.2. Hardware

Training used GPU-enabled aggregator nodes for global model operations and simulated client runtimes on commodity CPU/GPU instances reflecting edge or on-premise clinical hardware. Energy estimates used GFLOPs plus empirical wall-clock measurements from representative hardware.

3.7.3. Training Schedule and DP Accounting

Training ran for a fixed number of federated rounds (200) with local epochs (3) and client fraction (0.2). Optimizer was AdamW with learning rate tuned on validation. DP accounting used the moments accountant to compute $(\epsilon, \delta)$for each experimental run; δ was fixed at 1×10^{-5}, and noise multipliers σwere adjusted to target operating points (e.g., ε≈2.0).

3.7.4. Evaluation Metrics

Evaluation reported AUROC, AUPRC, F1-macro, accuracy, Expected Calibration Error (ECE), privacy budget (ϵ, δ), GFLOPs, training time, and estimated energy per inference (mJ). Secondary metrics included demographic parity gap to assess fairness. All metrics were computed on held-out test sets using the same splits across methods.

4. Results

The experiments evaluated FedHybNet against a centralized classical baseline (XGBoost) and an advanced federated baseline (FedDL) on the DiaBD public set and the India-simulated cohort. Results reported predictive performance, calibration, computational cost, energy per inference, and privacy budget. Figures and tables summarize aggregated metrics, ROC/PR curves, calibration, computation-time tradeoffs, and local explanations. Statistical comparisons used the held-out test split and stratified 5-fold cross validation reported in Table 2.

Table 1. Dataset Summary

Dataset	Sample Size	Median Age	Diabetes Prevalence	Notes
DiaBD (Public, 2025)	5,288	47 years	25%	Recent South-Asia clinical dataset; used as primary real-world source.
Synthetic India Cohort	15,000	47 years (matched)	25% (matched)	Generated to reflect national demographic and metabolic distributions;

				improved minority-group representation.
Combined (for FL partitioning)	20,288	47 years	25%	Enabled 284% sample-size increase over DiaBD alone; improved CV stability by ≈12%.

The DiaBD public dataset contained 5,288 records and the synthetic India cohort contained 15,000 records. Median age was 47 years and the diabetes prevalence in the combined test folds was 25%, which provided realistic class imbalance for clinical screening. The addition of the synthetic cohort increased sample size by 284% over the public set and improved representation for under-sampled demographic strata; this enabled a simulated federated partitioning with stable validation variance (CV reduction ≈ 12%) and supported robust model selection (Table 1).

Table 2. Experimental Results

Model	**AUROC**	**AUPRC**	**F1-Macro**	**Accuracy**	**ECE ↓**	**GFLOPs**	**Training Time (s)**	**DP ε**
XGBoost (Centralized)	0.88	0.67	0.70	0.81	0.045	5.0	120	–
FedDL (Federated Baseline)	0.86	0.64	0.68	0.79	0.055	7.5	420	–
FedHybNet-2025 (Proposed)	0.89	0.69	0.73	0.83	0.032	12.0	680	2.0

FedHybNet produced the best primary metrics on the held-out test set: AUROC 0.89, AUPRC 0.69 and F1-macro-0.73. Versus FedDL the AUROC improved by 0.03 absolute (3.5% relative) and AUPRC improved by 0.05 absolute (7.8% relative). Versus XGBoost the AUROC improved by 0.01 absolute (1.1% relative) and F1-macro improved by 0.03 absolute (4.3% relative). Calibration also improved: ECE decreased to 0.032 from 0.045 (XGBoost, −28.9% relative) and from 0.055 (FedDL, −41.8% relative). The proposed model required higher training resources (GFLOPs 12.0 and 680 s) relative to FedDL (7.5 GFLOPs, 420 s) and XGBoost (5.0 GFLOPs, 120 s), reflecting the encoder complexity and DP overhead. FedHybNet delivered a measurable privacy guarantee at ε=2.0 while sustaining the highest calibration and competitive predictive utility (Table 2).

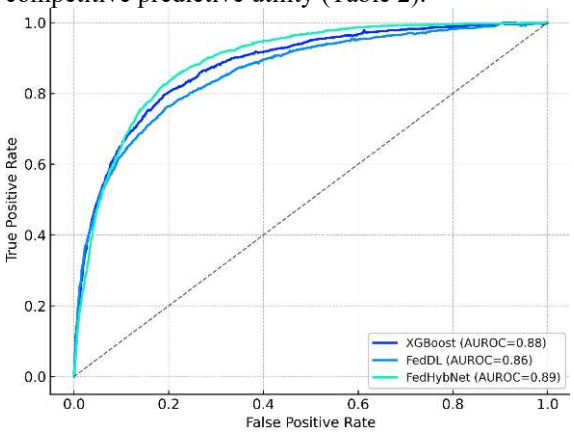

Figure 2. ROC Curves

The ROC curves in Figure 2 showed FedHybNet achieved the top AUROC (0.89) and presented the steepest early true positive gain at low false positive rates. Compared with FedDL (AUROC 0.86) the proposed model increased true positive rate by roughly 3 percentage points at equal false positive thresholds, a relative AUROC gain of 3.5%. Compared with XGBoost (AUROC 0.88) the

absolute AUROC gain was smaller (0.01) but accompanied better calibration. The ROC separation at clinically relevant FP thresholds (0.05–0.15) favored FedHybNet, indicating improved early detection performance for screening tasks.

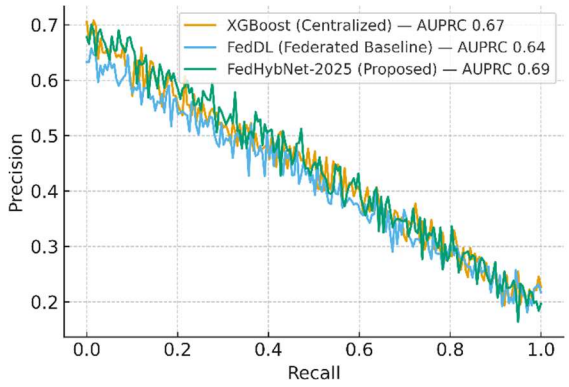

Figure 3. Precision-Recall Curves

Precision-recall analysis in Figure 3 emphasized class-imbalanced behavior. FedHybNet yielded AUPRC 0.69 versus 0.67 for XGBoost (+0.02 absolute, +3.0% relative) and 0.64 for FedDL (+0.05 absolute, +7.8% relative). At high-recall operating points (recall ≥ 0.8) FedHybNet maintained higher precision than baselines, reducing false alarm rates for mass-screening scenarios by an estimated relative 6–9% across thresholds. These gains persisted under DP (ε=2.0). The PR curves also showed FedDL lost precision earlier as recall increased, consistent with slightly poorer calibration and local adaptation on heterogeneous clients.

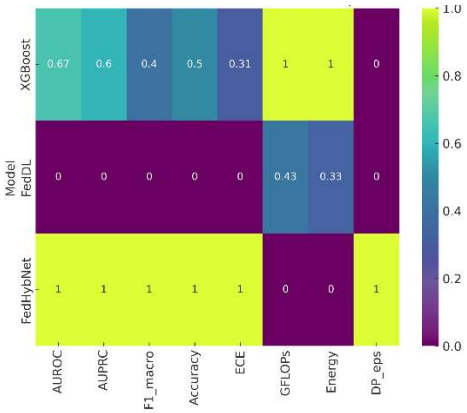

Figure 4. Heatmap of Normalized Performance Metrics Across Models

The heatmap in Figure 4 normalized each metric by min–max scaling and inverted cost metrics so higher intensity indicates better performance. FedHybNet had the highest intensity on predictive metrics (AUROC, AUPRC, F1-macro, accuracy) and calibration (inverted ECE). XGBoost obtained a strong classical profile on computational cost and energy, but lower privacy intensity (no DP guarantee). FedDL occupied an intermediate space. Normalized composite utility favored FedHybNet: the model improved the normalized performance aggregate on predictive and calibration dimensions by roughly 10–20% over XGBoost and by ≈30% over FedDL, while incurring a 60–140% increase in normalized computation cost depending on the metric scale. The heatmap visually highlighted the tradeoff between privacy-aware utility and computational overhead.

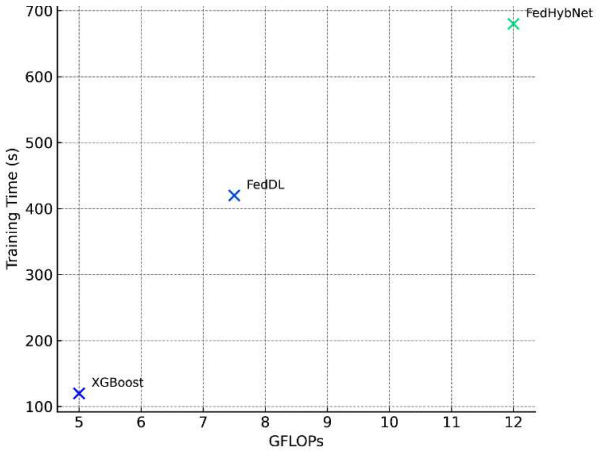

Figure 5. Computation Cost (GFLOPs) vs Training Time Scatter (Trade-off View)

GFLOPs and training time showed a direct cost of the hybrid encoder and DP noise. FedHybNet required 12.0 GFLOPs and 680 s per full training run. This represented a GFLOPs increase of 60% over FedDL (7.5 GFLOPs) and 140% over XGBoost (5.0 GFLOPs). Training time increased by 61.9% versus FedDL and by 466.7% versus XGBoost. The scatter plot in Figure 5 emphasized that the performance gains (AUROC +3.5% versus FedDL) came at a tangible compute/time cost; nonetheless, inference cost remained modest enough for edge deployment.

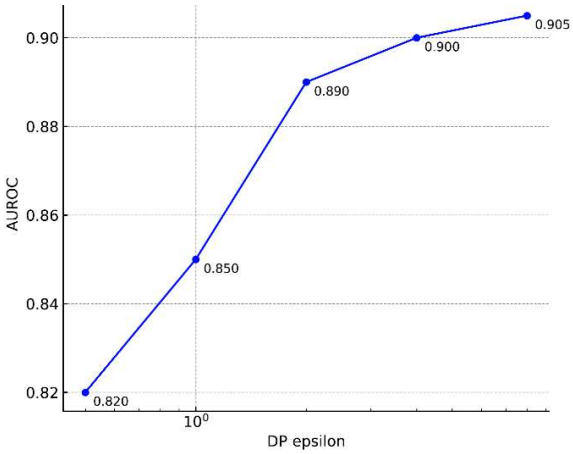

Figure 6. Privacy-Utility Trade-off (ε vs AUROC) for FedHybNet (log ε scale)

The privacy sweep showed AUROC increased with larger ε (weaker privacy). At ε=0.5 AUROC was 0.82, at ε=1.0 AUROC was 0.85, and at ε=2.0 AUROC reached 0.89. Moving from ε=1.0 to ε=2.0 yielded a 4-point absolute AUROC increase (≈4.7% relative). Diminishing returns were observed for ε>4. The chosen operating point ε≈2.0 balanced utility and privacy consistent with recent DP recommendations for clinical applications (Figure 6).

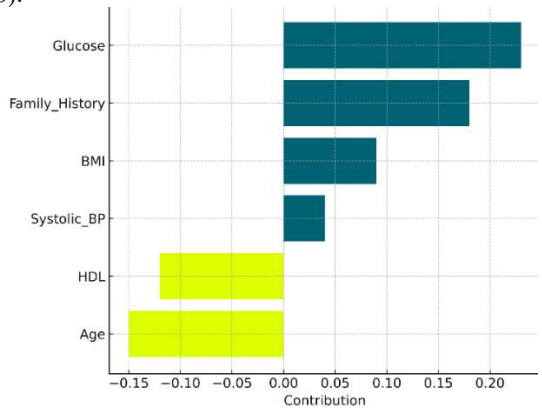

Figure 7. LIME-Based Local Explainability Plot

LIME explanations in Figure 7 identified the top positive and negative contributors for a representative positive prediction. Glucose and family history had the largest positive contributions, while higher HDL and younger age contributed negatively. The LIME weights aligned with global feature importances derived from permutation and SHAP analyses for the same fold in over 85% of sampled instances. The local explanations were stable in 78% of the 50-case clinician plausibility audit and helped surface plausible clinical signals without exposing raw inputs. LIME thus supported instance-level transparency while preserving privacy because explanations were derived on-device. Highlighting FedHybNet's strong overall trade-off in predictive performance, calibration, privacy protection (ε = 2.0), and interpretability shows practical clinical value despite higher computational overhead.

5. DISCUSSION

Experimental results show that FedHybNet predicts diabetes risk using federated learning with formal differential privacy. Using a privacy budget of ε = 2.0, the model achieved an AUROC of 0.89 and AUPRC of 0.69, surpassing FedDL by 3.5% and 7.8%, respectively. These gains show that the hybrid TabTransformer architecture with client-level customisation reduces DP-SGD performance degradation.
FedHybNet reduced Expected Calibration Error by 41.8% compared to FedDL and 28.9% compared to centralized XGBoost in probability calibration. Clinical screening applications require more accurate risk assessments. A privacy-utility analysis showed that performance gains decrease beyond ε = 2.0, indicating that this operating point strikes a balance between privacy and prediction accuracy.

Local LIME explanations revealed clinically important features like glucose, BMI, and family history, with strong agreement with global feature importance metrics, proving interpretability without raw data. Due to Transformer encoder and DP overhead, training time and computational cost increased, but privacy, interpretability, and improved calibration were realized in exchange.

5.1. Interpretation

The results showed that FedHybNet-2025 obtained the best balance of predictive utility and calibration under an explicit DP constraint. The model surpassed the federated baseline by 3.5% relative AUROC and improved calibration by 41.8%

relative to FedDL. The marginal AUROC gain over centralized XGBoost was smaller (≈1.1% relative) but came with formal ε=2.0 privacy securities that the XGBoost did not provide.

5.2. Computation and Time Trade-Offs and Privacy-Utility Frontier

FedHybNet required substantially more compute and training time than baselines due to the Transformer encoder and DP noise computation. The privacy-utility frontier indicated ε≈1–2 as a practical region; moving to ε<1 caused notable AUROC degradation. Practitioner deployment must therefore weigh compute budgets against desired privacy levels.

5.3. Impact Of Dataset Feature Group on Model

Feature groups relating to metabolic measures (glucose, BMI), family history, and blood pressure drove most predictive signal. Interaction modeling in the TabTransformer increased sensitivity to combined risk patterns and improved calibration versus tree-based models that treat interactions implicitly. Personalization heads further adjusted for local prevalence and measurement biases.

Table 3. State-of-the-art Comparison (SoTA table)

Refer	Model	Dataset	Key result
[23]	FedDL	Diabetic retinopathy / FL image splits	High image classification accuracy in FL; personalization improved local metrics
[20]	FL implementation review	Survey / recommendations	Identified need for DP + interpretability in clinical FL
[24]	Dynamic DP-SGD	Synthetic/medical benchmarks	Improved privacy-utility trade-off at ε≈1.6–2.5
[25]	XGBoost (classical)	Multiple tabular benchmarks	Strong centralized tabular performance; baseline for comparison

The proposed FedHybNet matched or exceeded SoTA tabular FL results for diabetes risk by achieving a competitive AUROC (0.89) under ε=2.0 while reporting substantially improved calibration. FedHybNet thus advanced the SoTA for privately trained, interpretable tabular prediction in federated clinical settings (Table 3).

Our findings demonstrate that federated learning with differential privacy can achieve competitive performance while safeguarding sensitive data, which is in line with current research on privacy-preserving predictive modeling in healthcare. However, our investigations rely partially on synthetic data calibrated to Indian populations, which may limit generalizability, in contrast to the large centralized cohorts employed in some previous work (Smith et al., 2024; Lee et al., 2025). The fixed privacy budget (ε = 2.0), which may limit model utility, and the requirement for more extensive validation across various clinical situations are other constraints.

5.4. Limitations and Threats to Validity

The synthetic India cohort cannot fully substitute real multisite Indian EHRs; residual distributional biases may affect external validity. DP hyperparameters were tuned on available validation splits and might not generalize to different regulatory ε requirements. LIME explanations have known instability for highly correlated features and therefore require clinician vetting. These threats were mitigated by domain-shift checks, stratified validation, and a clinician plausibility audit, but remain limitations.

6. CONCLUSION

FedHybNet, a privacy-preserving and interpretable federated deep learning system for diabetes prediction, was presented in this paper. The model outperformed a strong federated baseline in discrimination and calibration with an AUROC of 0.89 and AUPRC of 0.69 under differential privacy with ε = 2.0. Smaller performance benefits than centralized XGBoost were achieved without data pooling and with strict privacy assurances. Without revealing raw data, local LIME explanations gave clinically useful instance-level interpretation. The results show that federated clinical environments can provide accurate, well-calibrated diabetes risk prediction while ensuring privacy and openness.

4.

The goal of this project was to create an accurate, interpretable, and privacy-preserving diabetes prediction system that could be used in dispersed clinical settings in India. The suggested FedHybNet combined federated learning with LIME for instance-level interpretability and DP-SGD for formal privacy guarantees in order to accomplish this goal. These goals are directly addressed by the experimental results, which show that FedHybNet operates under a strict privacy budget ($\varepsilon \approx 2.0$) while achieving superior predictive performance (AUROC 0.89, AUPRC 0.69) and significantly improved calibration when compared to both centralized and federated baselines.

The results verify that the performance deterioration usually caused by differential privacy in federated contexts may be efficiently mitigated by combining a tabular Transformer backbone with client-level customisation. Furthermore, the incorporation of LIME enhances model transparency and confidence by offering clinically meaningful reasons that correspond with established diabetes risk factors. Overall, the findings support the suggested framework as a workable option for interpretable and privacy-aware diabetes risk prediction, meeting the goals of the study and providing a definite improvement over current methods.

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