1. Encryption on mobile client side(AES-256 bit encryption).

Key generation:

Password string

A randomly generated 8 byte array(SALT)

No. of iterations(n)
SALT+Password

(Process uses PBKDF2WithHmacSHA1,
Password Based key derivation
with SHA1 Hashing Algorithm)

KEY

Cipher initialised with
the key.

Data to be transferred
(JSON object converted to string).

String converted to bytes.

Cipher encrypts the data
using the key generated.
AES/CBC/PKCS5Padding method used.

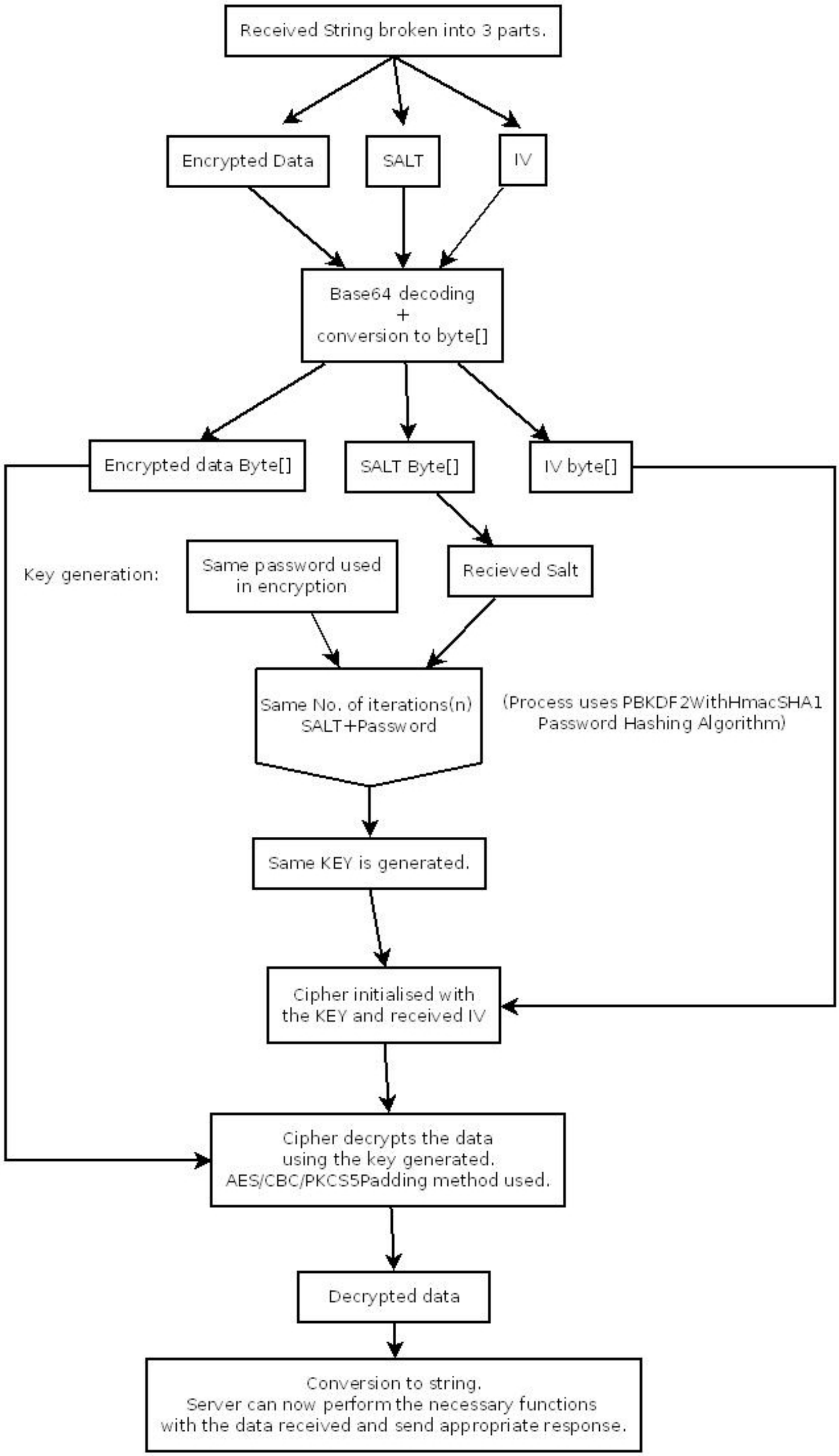
Initialisation vector(IV)
extracted from cipher.

Encrypted data

Base64 encoding
+
Conversion to string.

Encrypted data + SALT(13 char) + IV(25 char)
Base64 encoded string to be transferred.

Sent on a
secure HTTPS
session to SERVER.


Received String broken into 3 parts.
Encrypted Data
SALT
IV
Base64 decoding
+
conversion to byte[]
Encrypted data Byte[]
SALT Byte[]
IV byte[]
Key generation:
Same password used
in encryption
Recieved Salt
Same No. of iterations(n)
SALT+Password
(Process uses PBKDF2WithHmacSHA1
Password Hashing Algorithm)
Same KEY is generated.
Cipher initialised with
the KEY and received IV
Cipher decrypts the data
using the key generated.
AES/CBC/PKCS5Padding method used.
Decrypted data
Conversion to string.
Server can now perform the necessary functions
with the data received and send appropriate response.

AES/CBC/PKCS5Padding explained: AES is in the Cipher Block Chaining cipher mode, with padding defined in PKCS#5.

-This algorithm accepts keys of 128, 192, or 256 bits(256 in this case).

-CBC is a cipher mode where each block of plaintextis combined (through XOR) with the previous (encrypted) block before encrypting, and the first block is combined (through XOR) with a so-called initialization vector (or IV) before encrypting.

-In the Java implementation, a random IV is generated (with the IvParameterSpec class) and placed at the beginning of the cipher text.

-Same format to be followed for server - mobile app communication.

-A generated key will be valid for one session only.

-The server and application would have the same password and iterations number (to be kept after discussion).

-Iterations should be greater than 1000 but to an extent where it doesnt slow down the processing. A higher number makes the system more secure but anything above 1000 is considered good.
Source- http://www.rfc-editor.org/rfc/rfc2898.txt (section 4.2)

-A different salt for each key and the HTTPS encryption makes the system very robust against any kind of attack specially a brute force attack which is done using a hash table of passwords and trying for a match.

-Password can be kept anything even a blank string, and will have the option of being remotely changed on both server and application in case its compromised.

A working example of the above model.(Server is stimulated in a different class)