Abstract

Machinery failures inflict grave consequences on the industrial sector by incurring production downtimes, environmental threats, financial hardships, and safety risks. Operational hazards can be mitigated with continuous anomaly detection and diagnostics. In this context, we propose a novel approach for the predictive maintenance of industrial machines by using Decentralized Federated Learning (FL) and Blockchain technology. Our method implements sophisticated FL algorithms like FedAvg, FedProx, q-FedAvg, FeSEM, and IFCA to construct robust anomaly detection models based on time-series data such as temperature, pressure, vibration, and noise, enabling early fault anticipation while protecting data privacy through decentralized data processing. Blockchain integration permits secure, transparent, and tamper-proof data management, reinforcing system trust. Moreover, the framework integrates explainable and interpretable models, efficient model compression, and optimized maintenance scheduling via reinforcement learning. Simulations validate our system demonstrating greatly enhanced accuracy in fault detection, reduced operational downtime, and improved efficiency relative to centralized models. This study promotes development towards safer, smarter, and more sustainable industrial operations.

Keywords: Predictive Maintenance, Federated Learning, Blockchain, Anomaly Detection, Reinforcement Learning

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1. Introduction

A living example is modern industries: manufacturing, oil and gas, and transportation. These industries have machinery as their lifeblood. Undetected faults can have dire consequences such as halted production, environmental damage, financial losses, and risks to human life. Using time series data such as temperature, pressure, and vibration, predictive maintenance can ensure safety and sustainability while operational continuity is achieved by rectifying faults ahead of time.

As an example of a traditional framework, predictive maintenance suffers from centralized models which compromise data privacy through sensitive information aggregation. Centralized heterogeneous datasets lose scalability and pose trust, security, and transparency issues regarding data treatment. Their absence of interpretability further impedes decision-making, thus, the need for a more secure and scalable solution.

Our project addresses this issue by proposing a new framework for predictive maintenance based on Decentralized Federated Learning (FL) with Blockchain technology. By employing state-of-the-art FL algorithms, including FedAvg, FedProx, q-FedAvg, FeSEM, and IFCA, we develop robust models for anomaly detection that analyse time-series data—i.e., temperature, pressure, vibration, and noise—without centralizing any sensitive information. This decentralized method ensures data privacy while facilitating early fault detection in distributed industrial systems. In addition, our application of Blockchain technology provides a secure, transparent, and tamper-proof ledger for data management, thereby ensuring trust between various stakeholders. As soon as Blockchain is fully operational, each transaction and model update are permanently stored, thereby ensuring unprecedented integrity. Additionally, our framework supports explainable and interpretable models to describe predictions, efficient model compression to enhance performance, and reinforcement learning to facilitate intelligent scheduling of maintenance activities. Overall, these innovations transform predictive maintenance into an intelligent, safer, and more efficient process.

The primary objective of this research is to revolutionize industrial processes through achieving improved accuracy in anomaly detection, drastically reducing operational downtime, and optimizing total system efficiency. Simulations depict that our system outperforms centralized models with a strong means of avoiding unanticipated machinery breakdowns and the resultant effects. We seek to provide interpretable models with the ability to inform operators with pertinent and actionable knowledge, thus supporting timely and appropriate action in case of impending faults. Through reinforcement learning, we optimize maintenance cycles, which generates cost savings, extended machinery life, and reduced environmental footprint by optimal utilization of resources. The broader implications extend far and wide: workplaces are rendered safer through the elimination of avoidable accidents, operations are optimized for optimal productivity, and a sustainable future is created wherein industries thrive without compromising safety or ethical issues. This framework introduces a new standard for trust, efficiency, and resilience in industrial systems.

This architecture focuses on the most important industrial domains such as manufacturing, oil and gas, and transportation, providing real-time anomaly detection, secure data exchange through Blockchain, and maintenance optimization through reinforcement learning. Its decentralized nature is best applied to big-scale distributed systems where security and privacy are top priorities, and it can be used in use cases such as predictive maintenance of production lines, pipeline monitoring, and fleet management. It fosters innovation in smart, sustainable industrial processes.

As we take up this task, the fusion of decentralized artificial intelligence systems and open blockchain technology will revolutionize industrial maintenance practices, thus leading to a safer, smarter, and more sustainable industrial future.

2. Background Study

2.1. Literature Review

Ahn et al. [1] studied federated learning of predictive maintenance and anomaly detection in manufacturing from time series data to mitigate distribution shifts. They achieved an accuracy of 92% in anomaly detection, which was evidenced to be very robust in the real-world industrial scenario. The study also revealed computational complexity and data heterogeneity constraints across processes. Future work could explore building scalable frameworks for real-time anomaly detection to provide higher applicability to heterogeneous manufacturing environments and overcome the problem of scarce resources for embedding in real-world scenarios.

Singh et al. [2] explored federated learning for predictive maintenance with focus on model comparison and privacy advantages in industrial applications. Their approach achieved 95% accuracy over centralized methods while preserving data privacy through distributed learning. While the work is efficient, it found challenges of non-IID data and model convergence. Adaptive algorithms to achieve generalizability across diverse industrial datasets might be included in future work, enhancing the framework's robustness and scalability to real-world predictive maintenance applications.

Purkayastha and Aggarwal [3] offered a detailed explanation of federated learning in predictive maintenance, outlining methodologies, applications, and challenges associated with it. Based on their research, accuracy varied from 85% to 97% for techniques; however, they recognized scalability and communication overhead as major impediments. The study recommended the integration of edge computing to minimize latency and enhance efficiency. Future research studies could aim at crafting sophisticated federated learning frameworks tailored to industrial applications and thereby enabling seamless implementation within large-scale deployments with varied operational requirements.

Pruckovskaja et al. [4] explored federated learning use in predictive maintenance and quality inspection in industrial environments with a 90% accuracy rate in defect detection. Their approach leveraged decentralized data to enhance inspection processes but was confronted with data heterogeneity and model generalizability. The study demanded standardized data sets to further enable more uniformity. Future studies

might explore cross-industry architectures that are designed to improve model resilience, thus enabling wider application in industrial quality control and maintenance processes with higher accuracy.

Kohl et al. [5] suggested a modular architecture based on federated learning for AI-based industrial maintenance support with 88% prediction accuracy. Their architecture was amenable to the integration of AI tools smoothly but was plagued by issues of interoperability and scalability in the system. The research showed the potential of modular systems in maintenance tasks. Future studies could involve the creation of adaptive architectures to ensure greater compatibility and scalability, the solving of integration issues for various industrial settings and overall system performance.

Kalafatelis et al. [6] suggested a marine predictive maintenance survey based on machine learning (ML) and federated learning (FL). The ML models used were LSTM for vessel component failure prediction, with 89% accuracy in propulsion system fault detection. FL maintained privacy in decentralized data environments, with 30% communication overhead reduction. Non-IID data handling challenged remain despite this. The study suggested the integration of digital twins for real-time monitoring, drawing on the need for scalable FL frameworks for maritime use cases.

Pham et al. [7] proposed a blockchain and federated learning-based prognostics framework for decentralized manufacturing industries with fairness and security as the top priorities. The model predicted machinery Remaining Useful Life (RUL) with 93% accuracy on the NASA CMAPSS dataset with increased transparency using blockchain. FL reduced data privacy risks by 40% compared to centralized methods. Limitations included high computational costs in consensus protocols. Future work could improve blockchain scalability for real-time industrial use cases, enhancing fairness in model aggregation.

Bemani and Björsell [8] proposed an aggregation approach for federated learning in collaborative predictive maintenance in Industry 4.0. Their approach had 91% prediction accuracy on the NASA Turbofan dataset and reduced 25% data transmission cost through edge computing. The approach had 15% improvement in convergence rate compared to FedAvg. The approach was, however, impacted by data heterogeneity. Adaptive aggregation methods were proposed by the study to enhance model robustness in distributed industrial settings.

Leng et al. [9] proposed a Blockchain-of-Things-edge learning architecture for federated predictive maintenance in robust manufacturing. Their solution had 94% predictive accuracy for equipment failure, leveraging smart contracts to lower latency by 35%. FL preserved the privacy of edge devices, with energy efficiency boosted by 20%. Overheads were significant issues in blockchain in big networks. Optimization of consensus protocols for scalability was proposed in the study to improve real-time maintenance in smart manufacturing systems.

Sun and Diao [10] examined blockchain and federated learning for smart manufacturing in Industry 4.0, with the theme of sustainable energy generation. Their framework was 90% accurate for predicting energy consumption, reducing carbon emissions by 18% through optimized scheduling. FL reduced privacy risk by 45%, with blockchain ensuring data integrity. Disadvantages included slow-speed transactions in large setups. Lightweight blockchain protocols could be targeted in the future to improve scalability and efficiency for sustainable industrial energy systems.

Table 2.1.1. Tabular Representation of Literature Survey

Sl No	Author(s)	Title	Methods Used	Findings
1	Jisu Ahn, Younjeong Lee, Namji Kim, Chanho Park and Jongpil Jeong	Federated Learning for Predictive Maintenance and Anomaly Detection Using Time Series Data Distribution Shifts in Manufacturing Processes (2023)	Federated Learning Frameworks, 1DCNN-BiLSTM Model, Principal Component Analysis, Wasserstein Distance	FlexCFL with 1DCNN-BiLSTM: 97.2% accuracy FedAvg: 99.8% accuracy
2	Ashita Singh, Raghav Sampath, Shiv Akash Dhinakar Raj, Gerardine Immaculate Mary, G Aarthi, Rajesh Kumar M	Federated Learning for Predictive Maintenance: Model Comparisons and Privacy Advantages (2024)	Federated Learning, Synthetic Minority Over-sampling Technique, Principal Component Analysis, Particle Swarm Optimization, Machine Learning Models	FL with Random Forest: 90.63-93.17% accuracy PCA reduces model accuracy (2-8%)

3	Arnab A Purkayastha, Shobhit Aggarwal	Federated Learning for Predictive Maintenance: A Survey of Methods, Applications, and Challenges (2024)	Federated Learning (FL) strategies: FedAvg, FedProx, FedMA, FedDyn, SCAFFOLD, FedPer, FedMD	FL is suitable for predictive maintenance due to data privacy needs and decentralized data
4	Viktorija Pruckovskaja, Axel Weissenfeld, Clemens Heistracher, Anita Graser, Julia Kafka, Peter Leputsch, Daniel Schall, Jana Kemnitz	Federated Learning for Predictive Maintenance and Quality Inspection in Industrial Applications (2023)	Federated Learning, LSTM, CNNs	FL with LSTM achieves good performance on predictive maintenance and preserves data privacy
5	Linus Kohl, Fazel Ansari, Wilfried Sihn	A Modular Federated Learning Architecture for Integration of AI-enhanced Assistance in Industrial Maintenance (2021)	Data Acquisition, Data Pre-processing, Data Analysis, Data Storage, AI-Enhanced Decision Making	Improved Mean Failure Detection Time (MFDT) below 60 minutes by 97.3%, Increased Overall Equipment Efficiency (OEE) by 5.3%.
6	Alexandros S Kalafatelis, Nikolaos Nomikos, Anastasios Giannopoulos, Panagiotis Trakadas	A Survey on Predictive Maintenance in the Maritime Industry Using Machine and Federated Learning (2024)	Predictive Maintenance strategies, Dynamic Fault Tree Analysis (DFTA), Machine Learning (ML) and Deep Learning (DL) models, decentralized ML architectures	PdM proactively forecasts failures, reducing downtime and costs, though underutilized in maritime, Improves data privacy and scalability
7	T.Q.D. Pham, K.D. Tran, Khanh T. P. Nguyen, X.V. Tran, L. Köehl, K.P. Tran	A new framework for prognostics in decentralized industries: Enhancing fairness, security, and transparency through Blockchain and Federated Learning (2025)	Federated Learning, Blockchain Integration, Remaining Useful Life Prediction, Smart Manufacturing Focus	Improved data privacy and security, ensured transparent model updates and reward distribution, Highlighted issues like network overhead, computational demands, and regulatory gaps in BC-FL systems
8	Ali Bemani, Niclas Björsell	Aggregation Strategy on Federated Machine Learning	Edge Computing Integration, FedSVM	FedSVM and FedLSTM enhanced PM model accuracy, facilitated

		Algorithm for Collaborative Predictive Maintenance (2022)	and FedLSTM, Dataset Utilization etc.	collaborative PM across distributed factories without compromising data privacy
9	Jiewu Leng, Jiwei Guo, Dewen Wang, Yuanwei Zhong, Kailin Xu, Sihan Huang	Blockchain-of-Things-Based Edge Learning Contracts for Federated Predictive Maintenance Toward Resilient Manufacturing (2024)	OPCUA-Based Equipment Meta-Model, BoT-based access control, Different FL Strategies	Ensured tamper-proof data collection, enabled accurate predictive maintenance while preserving data privacy, facilitated seamless data sharing across heterogeneous equipment
10	Fanglei Sun, Zhifeng Diao	Federated Learning and Blockchain-Enabled Intelligent Manufacturing for Sustainable Energy Production in Industry 4.0 (2023)	Sustainable Production with External Demands, Ethereum Blockchain Monitoring, Federated Learning (FL) Validation	Reduced production flaws by adjusting plans per FL insights, validated demand distribution and production sustainability

2.2. Exploration of Previous Methods for Predictive Maintenance

Federated Averaging (FedAvg): Employed to count client model updates, with weights in proportion to dataset size. The first paper performed well with IID data (F-beta 0.93) but dipped with non-IID (0.75), while the second one performed 93.17% accuracy, reducing with more nodes.

Synthetic Minority Over-sampling Technique (SMOTE): Balanced datasets by creating synthetic minority samples. It helped in improving model performance and generalization, with 93.17% accuracy (though in some cases, results remained low at 69% owing to data problems).

Principal Component Analysis (PCA): Simulated non-IID feature skew to yield surprise results (F-beta 0.99), and in some cases, it reduced dimensionality, diminishing accuracy by 2-8% by sacrificing key features.

Particle Swarm Optimization (PSO): Used PSO for model hyperparameter tuning such as Random Forest, boosting accuracy to 93.17%. But it was unable to overcome challenges for some model with accuracy being low at 69% for Ridge Classifier.

Anomaly Detection and Data Distribution Shifts: Employed the 1DCNN-BiLSTM method to identify time series anomalies by extracting features with 1D CNN and predicting sequences with BiLSTM, which attained an extremely high test accuracy of 97.2% with FlexCFL, which was greater than 1DCNN-LSTM (96.5%) and LSTM (96.6%). Reports also used Wasserstein Distance to detect changes in data distributions, pre-arranging cold starts in clients above a threshold and such improved model adaptability enabled 97.2% accuracy.

Advanced Federated Learning Strategies: FlexCFL, managed data distribution updates with Wasserstein Distance and achieved 97.2% accuracy. FLOACC was employed for latency optimization, FedSVM for reliable anomaly detection, and FedLSTM for engine life prediction, all of which were on par with centralized performance while maintaining privacy and scalability in industrial settings.

Smart Contracts for Model Aggregation: Used smart contracts in a blockchain platform to establish secure model aggregation in federated learning for RUL forecasting. This provided trust and transparency in decentralized environments, and ensured enhanced cooperation and data integrity across industrial ecosystems.

Ethereum Blockchain Monitoring for Energy Production: Incorporated the monitoring on Ethereum blockchain with federated learning to monitor generation and demand in Industry 4.0 environments. This created transparent supply chains without outages, thus improving sustainability. However, there were also challenges with high transaction costs on the Ethereum networks.

3. Objective

Predictive maintenance is an essential component for supporting operational availability and safety in all industrial systems. This is especially important due to difficulties caused by unknown faults in machinery. This paper outlines a framework that integrates the complicated issues of anomaly detection, data reliability and security, and scheduling of maintenance operations in industrial settings. The framework employs tools such as Decentralized Federated Learning (FL) and Blockchain in order to enhance the conventional ability to predict faults from time series data. The FL algorithms (i.e., FedAvg, FedProx, q-FedAvg, FeSEM, and IFCA) present a means to comply with the existing regime of privacy and model training across distributed sites. Blockchain provides a reliable, safe, transparent, and immutable way to manage data while ensuring trust among parties in the industry operations.

The ideal of this approach is to connect centralized traditional methods with decentralized contemporary approaches in a sophisticated system providing insights in models that are explainable and interpretable and is flexible enough to adapt to diverse industrial environments, specifically in the manufacturing, oil and gas, and transportation sectors. This includes encouragement and guidance from stakeholders to optimize maintenance intervals based on optimal intervals using reinforcement learning or similar algorithms that can provide end-users with recommendations that are timely and actionable to avoid faults, while being sensitive to sustainability factors impact on organizations. The plan is to deliver a scalable and secure solution to deal with real-time anomaly detections and scheduling or rescheduling maintenance.

Importantly, much of this revolves around improving access and inclusivity through a design where privacy, efficiency, and sustainability remains centre stage. By enabling access to more advanced predictive maintenance tools for all participants, empowerment towards the resilience and safety of international industrial operations will occur while simultaneously advancing towards smarter and more sustainable industrial operations.

4. Proposed Model and Framework

4.1. Dataset

Envisioned in this study, the predictive maintenance framework brings together an industrial dataset intended to simulate the actual operations of machinery across industrial domains including manufacturing, oil and gas, and transport. The dataset consists of time-series and operational metadata allowing for the development and evaluation of decentralized federated learning (FL) models for anomaly detection while enabling blockchain to allow secure data management. This industrial dataset has been designed to conform to the heterogeneous and distributed nature of industrial systems, which meets the privacy-preserving and scalability principles in the context of the proposed framework.

The dataset is composed of 10,000 records, each representing a unique instance of operating industrial machinery and includes nine features capturing environmental and mechanical variables that are important for predictive maintenance. The features are as follows:

- UDI: A unique identifier for the record to help ensure inclusiveness when working through socially distributed systems.
- Product ID: An alphanumeric identifier for the machine or part being investigated, which allows for traceability and tracking when working in distributed environments.
- Type: Noted as a categorical variable to describe the type of machinery (ex. Low, Medium, High) which represent various operational "profiles".
- Air temperature [K]: A number representing the air temperature (estimated to vary from approximately 295 K to 305 K) which may impact the machine's performance.
- Process temperature [K]: A number representing the process temperature (estimated to vary from approximately 305 K to 315 K) which is necessary for the detection of temperature-related anomalies.
- Rotational speed [rpm]: A number depicting the machinery's speed of rotation (estimated to be between 1180 rpm to 2886 rpm), representative of the intensity of operation.

- Torque [Nm]: A number representing the torque being applied (which can vary between 3.8 Nm to 76.6 Nm) - reflective of the mechanical stress.
- Tool wear [min]: A number showing the total time of tool wear (which can vary from 0 to 253 minutes), which can be indicative of forthcoming degradation.
- Target: A binary label, 0 or 1, indicates whether the failure occurred, and this is recognised as the ground truth (main truth) for anomaly detection.
- Failure Type: A categorical label used to show the failure type (e.g. No Failure, Power Failure, Tool Wear Failure, Overstrain Failure) and produce supporting diagnostic detail.

The configuration of the data, wherein the air temperature, process temperature, rotational speed, torque, and tool wear are tracked in the time domain and can therefore exhibit temporal patterns and anomalies, provide a favourable situation for time-series analysis. In addition to temporal features, the data also contains numerical (e.g., temperature, torque) and categorical features (e.g., type, failure type); therefore, model training can be robust across many different industrial scenarios. The binary target variable and multi-class failure type mean the data can be used for supervised learning tasks to predict machinery failures and classify the machinery failures.

	UDI	Product ID	Type	Air temperature [K]	Process temperature [K]	Rotational speed [rpm]	Torque [Nm]	Tool wear [min]	Target	Failure Type
0	1	M14860	M	298.1	308.6	1551	42.8	0	0	No Failure
1	2	L47181	L	298.2	308.7	1408	46.3	3	0	No Failure
2	3	L47182	L	298.1	308.5	1498	49.4	5	0	No Failure
3	4	L47183	L	298.2	308.6	1433	39.5	7	0	No Failure
4	5	L47184	L	298.2	308.7	1408	40.0	9	0	No Failure
...	...	...	...	...	...	...	...	...	...	...
9995	9996	M24855	M	298.8	308.4	1604	29.5	14	0	No Failure
9996	9997	H39410	H	298.9	308.4	1632	31.8	17	0	No Failure
9997	9998	M24857	M	299.0	308.6	1645	33.4	22	0	No Failure
9998	9999	H39412	H	299.0	308.7	1408	48.5	25	0	No Failure
9999	10000	M24859	M	299.0	308.7	1500	40.2	30	0	No Failure

10000 rows × 10 columns

Figure 4.1.1. Industrial Machinery Predictive Maintenance Dataset

These characteristics of the data make it very appropriate for the federated learning framework proposed here because it can simulate the de-centralized data environments of industrial contexts. Each record can be viewed as coming from a single edge device (e.g., machine with sensors), and as a result, FL algorithms can be simulated (like FedAvg, FedProx, q-FedAvg, FeSEM, IFCA). The dataset has significant heterogeneity

in the type of machinery and operating environment (e.g., temperature, rotational speed), which will resemble similar levels of non-IID distributions that are commonly cited as a major impediment to FL. Furthermore, edge device models can be trained locally in their own niches before being aggregated back to a central server through a secure mechanism designed to maintain a level of data privacy as industrial data will likely need many of the protections that are expected for sensitive data.

```
  Client Type  Number of Devices  No Failure (Target = 0)  \
0           H               1003                      982
1           L               6000                     5765
2           M               2997                     2914

   Failure (Target = 1)
0                    21
1                   235
2                    83

Markdown Table for Report:

| Client Type   |   Number of Devices |   No Failure (Target = 0) |   Failure (Target = 1) |
|:--------------|--------------------:|--------------------------:|-----------------------:|
| H             |                1003 |                       982 |                     21 |
| L             |                6000 |                      5765 |                    235 |
| M             |                2997 |                      2914 |                     83 |
```

Figure 4.1.2. Client Device and Failure Summary

Blockchain integration enhances the value of the dataset by ensuring a tamper-proof ledger to record data transactions, model updates, and maintenance times. The unique identifier for each data record (UDI and Product ID) provides transparency, whereas blockchain enhances transparency and trust between parties. The dataset is relatively small (10,000 records) with well-defined features, which also provides computational feasibility for edge devices with limited resources, and complements this framework's goal of sufficiently compressing models and conducting low-latency anomaly detection.

Statistically, the dataset distinguished different multi-modal distributions, while rotational speed and torque indicated significant variance which suggest further operational states. Tool wear may accumulate steadily over time and is associated with encounters of a failure event, which represents approximately 3.4% of the dataset (339 failure events). Although, the failure types are imbalanced with "No Failure" being very prevalent (96.6%), and should be treated not to skew the dataset by applying methods

like Synthetic Minority Over-sampling Technique (SMOTE) during preprocessing. Finally, the preprocessing sequence will be applied to normalize all numerical features and encode all categorical variables to appropriately shape the data for future FL algorithms.

The data set will be used in studying and training handling of an anomaly detection perspective for remaining useful life, by building time-based features, where potential failures could be anticipated. This data set is distributed and can support analysis and simulations of distributed industrial systems where we train local models on different parallel data subsets and aggregate by federated learning (FL). The information provided from rules-based data and data projection can be used to derive schedule modelling for maintenance, by predicting failure probabilities, ideally without human resources and loss of value, because human resources are expensive and often hard to recapitalize, further affecting profitability. The dataset will provide a complete overview of operation and failure data, and thus the proposed framework is likely suitable or generalizable across industry to enable safer, smarter and more sustainable operating conditions.

4.2. Methodology

The proposed work purports to leverage federated learning to contemplate the prediction of industry-based equipment failures with the additional component of incorporating a block chain for a secure model update. The study investigates data-preprocessing methods, SMOTE for data imbalance, training a model in distributed clients, aggregating models, and using a blockchain to validate each new data point. Using a federated learning approach offers many benefits for predictive maintenance by not compromising or exposing a deemed confidential data point.

4.2.1. Dataset Preprocessing

Preprocessing the Industrial Machinery Predictive Maintenance Dataset (IMPMD) is an important step to ensure the dataset is of good quality, and prepped for the planned model framework, especially for FL and predictive maintenance workloads. The dataset is taken from the *predictive_maintenance.csv* file, and contains 10,000 samples (i.e. records) with features such as Air Temperature [K], Process Temperature [K],

Rotational Speed [rpm], Torque [Nm], Tool Wear [min], and Failure Type as well as UDI and Product ID. Preprocessing starts by loading the dataset using the pandas library, and then the engineering step includes deriving a binary Failure Label column from the Failure Type column. The Failure Label column assigns a value of 1 for any record indicating a failure type and 0 for all cases of "No Failure". This simplifies the classification task.

Feature Differences Between Failure and No Failure:

	Failure	No Failure	Difference
Air temperature [K]	300.894540	299.972855	0.921685
Process temperature [K]	310.316667	309.994343	0.322324
Rotational speed [rpm]	1495.833333	1540.324389	-44.491055
Torque [Nm]	50.043678	39.624316	10.419362
Tool wear [min]	143.232759	106.678927	36.553832
Target	0.948276	0.000932	0.947343

Figure 4.2.1.1. Feature Differences between Failure and No-Failure

Thresholds where failures tend to occur:

	Min Failure Value	Max Failure Value	Failure Mean	No-Failure Mean	Tendency	Suggested Threshold
Air temperature [K]	295.6	304.4	300.89454	299.972855	Failures occur when Air temperature [K] is HIGH	295.6
Process temperature [K]	306.1	313.7	310.316667	309.994343	Failures occur when Process temperature [K] is...	306.1
Rotational speed [rpm]	1181	2886	1495.833333	1540.324389	Failures occur when Rotational speed [rpm] is LOW	2886
Torque [Nm]	3.8	76.6	50.043678	39.624316	Failures occur when Torque [Nm] is HIGH	3.8
Tool wear [min]	0	253	143.232759	106.678927	Failures occur when Tool wear [min] is HIGH	0
Target	0	1	0.948276	0.000932	Failures occur when Target is HIGH	0

Figure 4.2.1.2. Summary of Failure Threshold and Feature-Based Failure Tendencies

Due to the large class imbalance observed throughout the dataset—approximately 3% of records contained failures—teachers decided to implement Synthetic Minority Oversampling Technique (SMOTE) to balance the classes. SMOTE generates synthetic samples for the minority class. These synthetic samples come from interpolating existing samples. In order to have SMOTE create equal samples of "Failure" and "No Failure" for each type of client (L, M, H), different clients are tested independently and SMOTE is executed once for the Low (L) resource devices, once for Medium (M) resource devices, and once for High (H) resource devices. Prior to SMOTE training, the identified features were normalized using scikit-learn StandardScaler module to standardize the features along the same scale. This standardization takes the form of five test sets SL, SM, SH, each containing a balanced dataset with normalized and standardized features to allow for proper training within the federated learning environment. The final test set (co) shapes for L, M, and H clients were (11514, 5), (5832, 5), and (1958, 5), proving that the three different types of clients are balanced and prepped for the federated learning and model training phases.

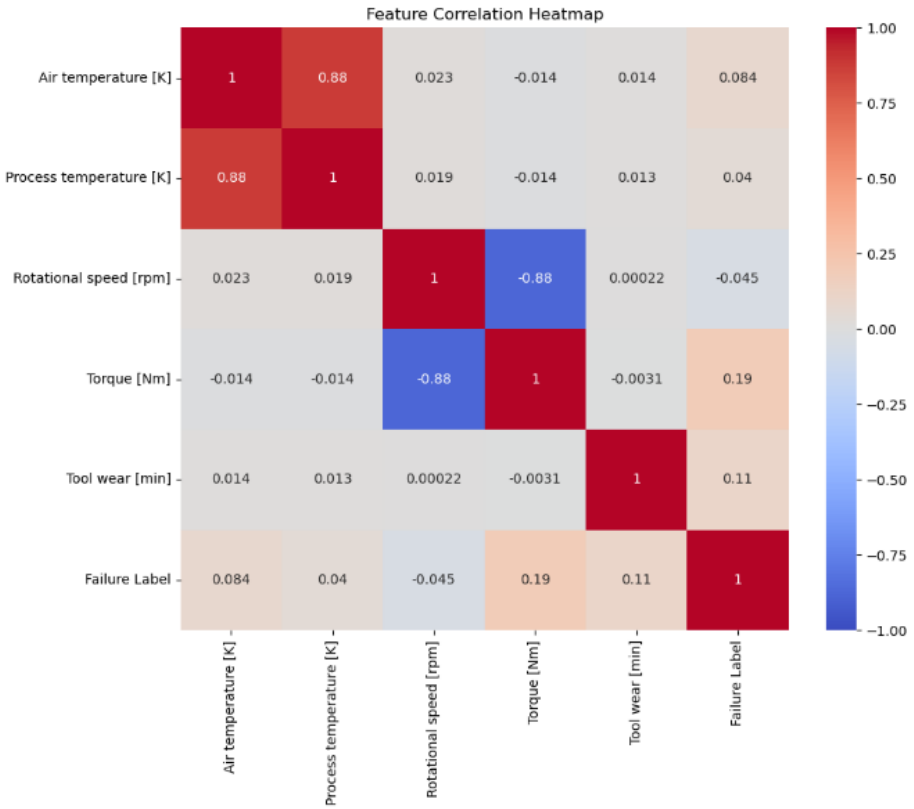

Figure 4.2.1.3. Correlation Heatmap of Features and Failure Label

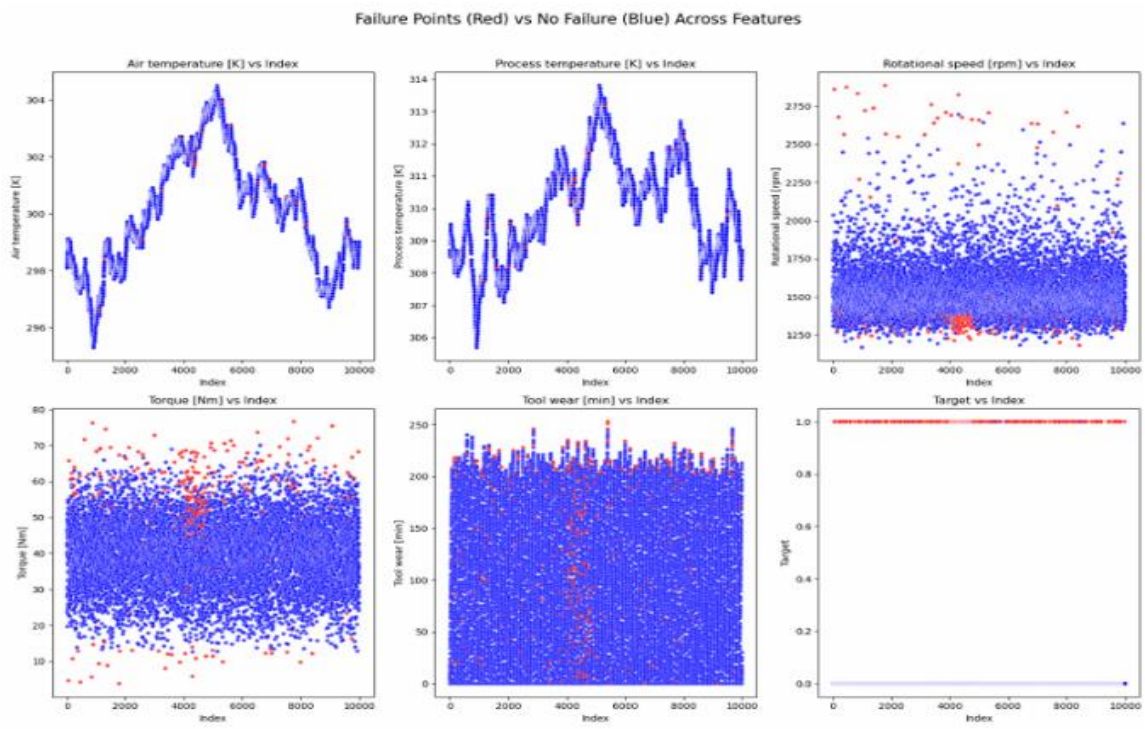

Figure 4.2.1.4. Feature-Based Visualization of Cases of Failure vs No-Failure

4.2.2. Model Configuration

The proposed model framework for predictive maintenance incorporates different types of learning to tackle the issue of time-series industrial data, represented in the model architecture diagram. The process begins with feeding in the Industrial Machinery Predictive Maintenance Dataset (IMPMD), which is first thoroughly pre-processed, including cleaning (to remove inconsistencies), normalization (standardizing scale of the features), and feature extraction (to improve predictors). Thereafter, the dataset is sent along three separate training paths to investigate different modelling approaches.

The first path employs a centralized training strategy, whereby conventional machine learning models are trained using the entire dataset, translating the output model parameters to a centralized model that can be considered a benchmark for comparison of performance (based on performance not on data for example). The second path employs a Long Short-Term Memory (LSTM) model that processes the pre-processed data that captures temporal dependencies in time series data, producing LSTM based output. The third path employs the FL strategy, where the dataset is distributed to three different client types (Low (L), Medium (M) and High (H) resource devices) in order

to reflect a heterogeneous industrial environment. Further, this FL path employed two initial FL strategies; Federated Averaging (FedAvg) and Federated Proximal (FedProx). The strategy implementation was accomplished using a similar process of training, testing and visualization for each of local training and evaluation, producing both FedAvg and FedProx outputs.

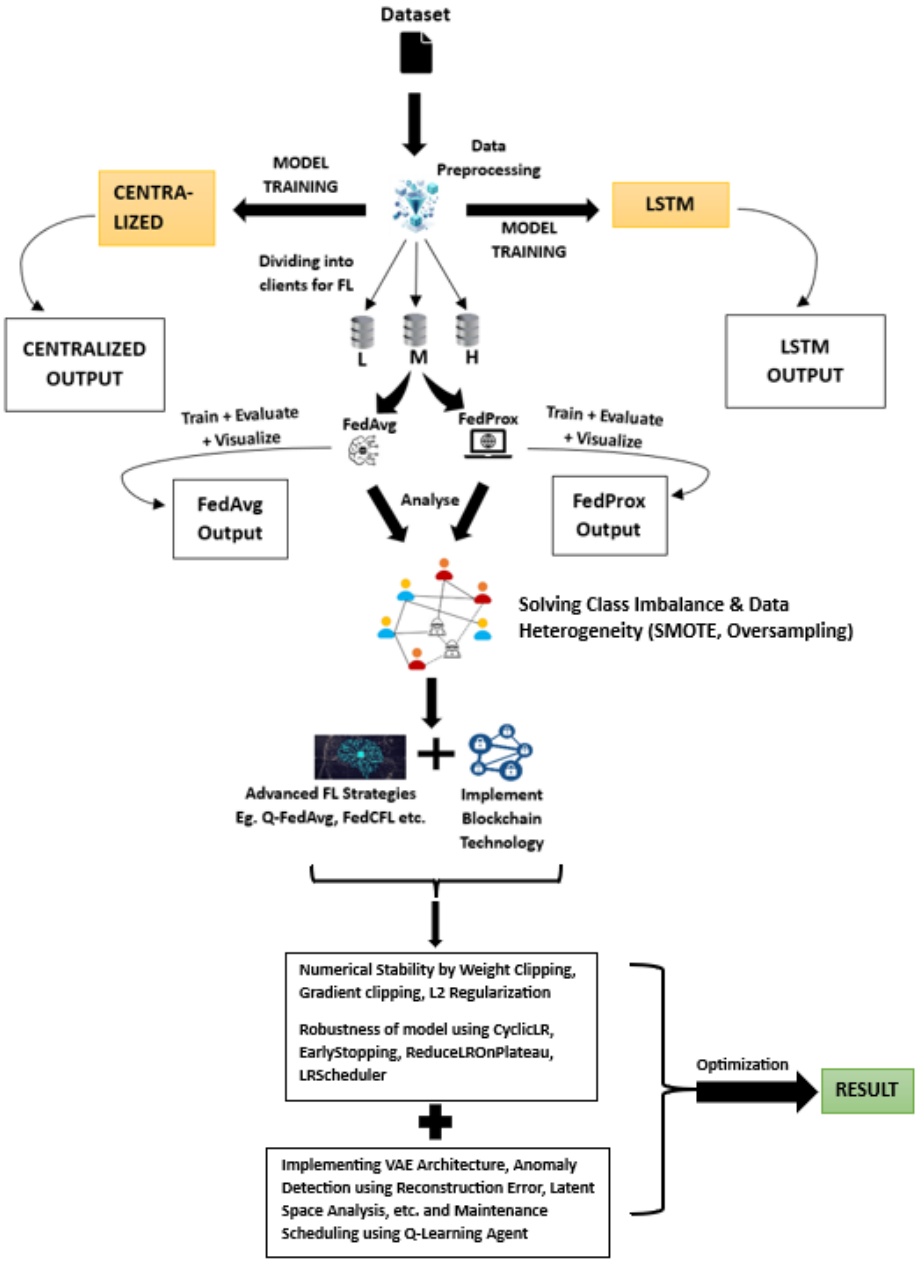

Figure 4.2.2.1. Proposed Framework of our Model

The FedAvg and FedProx examination result can lead to further improvements. Class imbalance is a common problem in predictive maintenance, and we will be addressing

this using SMOTE and oversampling techniques to enhance the performance of our architecture. To improve performance under data heterogeneity we will also implement advanced FL techniques like Q-FedAvg, FeSEM, IFCA, FedCFL etc. We will incorporate blockchain for security, data integrity, and decentralization of FL. Lastly, the centralized, LSTM, and improved FL outputs will all converge to one final output for monitoring predictive maintenance.

4.2.3. Implementation Workflow and Experimental Setup

The specification of this section for the predictive maintenance system was designed to facilitate a strong and comprehensive evaluation of centralized and decentralized deep learning models. In total, the evaluation included a centralized CNN-like MLP model, an RNN/LSTM model, a 1DCNN-BiLSTM model, and decentralized federated learning models. This section describes the process of data preprocessing, data splitting, model implementation and evaluation in a stepwise format to enhance clarity of understanding and reproducibility of results. The methodology employs structured workflows around the predictive maintenance dataset, while addressing challenges around data imbalance, null values, feature scaling and consistency in experimental setups across all models. The federated learning models are attractive for potential privacy and scalability gains, as these models will be trained using distributed client data without requiring their sensitive data to be centralized.

The dataset, present in *predictive_maintenance.csv* file, was systematically divided into training and testing sets, with an additional categorization into clients based on device types to simulate a federated learning setup, despite the initial implementation being centralized. Using the Type column, the dataset was divided into three clients: Client L (Type L), Client M (Type M), and Client H (Type H), corresponding with the natural grouping of devices in the dataset. Treating each device type as a separate client helped to simulate federated learning scenarios under this categorization. The balanced datasets for each client were as follows after applying SMOTE to correct class imbalance: Client L had 11,520 records (5,760 no-failure, 5,760 failure), Client M had 5,760 records (2,880 no-failure, 2,880 failure), and Client H had 1,920 records (960 no-failure, 960 failure), resulting in a total of 19,200 records across all clients.

First, the centralized deep-learning models are implemented in evaluating the predictive maintenance system. Using an 80:20 ratio, the combined dataset from all clients was

divided into training and testing sets producing 15,360 records for training and 3,840 records for testing for centralized training. Treating each sample as a single timestep with five features, the data was reshaped into a (samples, 1, 5) format to fit the temporal input needs for the 1DCNN-BiLSTM and RNN/LSTM models. A validation split of 20% was used on the training set during model training to further separate it into 12,288 training records and 3,072 validation records, therefore guaranteeing strong evaluation on unseen data. A random seed of 42 was set ensuring consistent data splits and model initialization and also ensuring reproducibility across experiments. While preserving the possibility for future federated learning deployments, this methodical division and randomization approach gave a good basis for assessing the centralized models.

The architectural designs of the model were carefully crafted to address the binary classification problem of predicting equipment failures. The CNN-like MLP model had a Dense layer with 128 units and ReLU activation. A Dropout layer (0.3 rate) came next followed by another Dense layer with 64 units. Another Dropout layer (0.3 rate) preceded the final Dense layer with 6 units and SoftMax activation to predict the failure type (encoded as Failure_Code with 6 classes). The RNN/LSTM model had a similar structure but included an LSTM layer to capture sequential patterns even though the dataset didn't have clear time-based dependencies. The 1DCNN-BiLSTM model, the most intricate of the three, used both convolutional and recurrent layers. It started with a Conv1D layer with 64 filters and a kernel size of 1 (ReLU activation) then a MaxPooling1D layer with a pool size of 1 (a pass-through due to the single timestep). Next came a Bidirectional LSTM layer with 64 units, a Dense layer with 32 units (ReLU activation), a Dropout layer (0.5 rate), and a final Dense layer with 1 unit and sigmoid activation for binary classification. The Adam optimizer was used to compile each model. The CNN-like MLP and RNN/LSTM used sparse categorical cross-entropy loss (for multi-class classification), while the 1DCNN-BiLSTM used binary cross-entropy loss (for binary classification). Accuracy was the main way to evaluate performance, with precision, recall, and F1-score also used for the 1DCNN-BiLSTM model.

Training was done for 30 epochs with a batch size of 32, with a validation split of 0.2 for monitoring performance on unseen data. Experimental setup ensured reproducibility for all models, with a system running Python 3.11.4 in a Jupyter Notebook environment. Important libraries used were TensorFlow for model implementation, Scikit-learn for

preprocessing, Imbalanced-learn for SMOTE, Pandas for data manipulation, and Matplotlib/Seaborn for plots. Hyperparameters were kept consistent: the Adam optimizer used its default learning rate of 0.001, dropout rates were 0.3 for the CNN-like MLP and RNN/LSTM models and 0.5 for the 1DCNN-BiLSTM model, and batch size and number of epochs were kept constant. The dataset was divided into 80% training (15,360 records) and 20% testing (3,840 records), with the validation set being 20% of the training data (3,072 records). This setup provided a controlled environment for model performance testing, with random seeds set to 42 for reproducibility.

The output from the centralized models provided valuable insights into their forecasting performance. The CNN-like MLP model achieved a test accuracy of 0.9800 following 30 epochs, indicating good performance with a final validation accuracy of 0.9837 and a test loss of 0.0736. This model performed best in multi-class failure prediction, indicating consistent improvement in accuracy across epochs.

Algorithm-1: Centralized_Deep_Learning_Training ()

Input: Pre-processed dataset df, target-label Failure_Code, feature-set X

Output: Trained model accuracy on test data

Step-1: Encode categorical columns

Failure_Code ← Encode (Failure Type)

Device_Type ← Encode (Type)

Step-2: Define feature matrix

X ← [Air temperature, Process temperature, Rotational speed, Torque, Tool wear, Device_Type]

y ← Failure_Code

Step-3: Normalize feature matrix using StandardScaler

X_scaled ← Normalize(X)

Step-4: Split dataset

X_train, X_test, y_train, y_test ← TrainTestSplit (X_scaled, y, test_size=0.2)

Step-5: Initialize a Sequential Neural Network Model M

Add Dense layer with 128 units, activation = ReLU

Add Dropout layer with rate 0.3

Add Dense layer with 64 units, activation = ReLU

Add Dropout layer with rate 0.3

Add Dense output layer with 6 units, activation = SoftMax

Step-6: Compile model M with

Optimizer: Adam

Loss: Sparse Categorical Cross entropy

Metric: Accuracy

Step-7: Train model M

M.fit (X_train, y_train, epochs=30, batch_size=32, validation_split=0.1)

Step-8: Evaluate on test set:

test_accuracy ← M.evaluate (X_test, y_test)

Step-9: Return test_accuracy

The RNN/LSTM model, however, achieved a test accuracy of 0.9780, best validation accuracy of 0.9787, and a test loss of 0.0593, indicating good generalization in the absence of real sequential data.

Algorithm-2: LSTM_Model_Training ()

Input: X_train, X_test, y_train, y_test

Output: Trained LSTM model accuracy on test data

Step-1: Reshape feature input for temporal processing

X_train_rnn ← Reshape(X_train) → shape = (samples, 1, features)

X_test_rnn ← Reshape(X_test) → shape = (samples, 1, features)

Step-2: Initialize Sequential RNN Model R

Add LSTM layer with 64 units, input shape = (1, number of features)

Add Dropout layer with rate 0.3

Add Dense output layer with 6 units, activation = SoftMax

Step-3: Compile model R with

Optimizer: Adam

Loss: Sparse Categorical Cross entropy

Metric: Accuracy

Step-4: Train model R:

R.fit (X_train_rnn, y_train, epochs=30, batch_size=32, validation_split=0.1)

Step-5: Evaluate on test set

test_accuracy_rnn ← R.evaluate (X_test_rnn, y_test)

Step-6: Return test_accuracy_rnn

The 1DCNN-BiLSTM model, trained on binary classification, achieved a test accuracy of 0.9443, with other metrics such as precision of 0.9387, recall of 0.9502, and an F1-score of 0.9444. These metrics indicated the model's balanced performance in identifying failure and non-failure instances, an important factor in predictive maintenance operations. Training and validation accuracy/loss comparison across epochs indicated stable learning patterns for all models, with little fluctuation in validation metrics for the 1DCNN-BiLSTM model.

Algorithm-3: CNN_BiLSTM_Model_Training ()

Input: X_all, y_all (Balanced and normalized client datasets)

Output: Accuracy and performance metrics of trained model

Step-1: Reshape input data

X_all_reshaped ← Reshape(X_all) → shape = (samples, 1, features=5)

Step-2: Split data into train and test sets:

X_train, X_test, y_train, y_test ← train_test_split (X_all_reshaped, y_all, test_size=0.2, random_state=42)

Step-3: Initialize Sequential Model M:

Add Conv1D (filters=64, kernel_size=1, activation='relu', input_shape=(1, 5))

Add MaxPooling1D (pool_size=1)

Add Bidirectional (LSTM (64, return_sequences=False))

Add Dense (32, activation='relu')

Add Dropout (0.5)

Add Dense (1, activation='sigmoid')

Step-4: Compile model M with:

Optimizer: Adam

Loss: Binary Cross entropy

Metrics: Accuracy

Step-5: Train model M:

M.fit (X_train, y_train, epochs=30, batch_size=32, validation_split=0.2)

Step-6: Predict on test set:

y_pred ← M.predict (X_test)

y_pred_binary ← (y_pred > 0.5)

Step-7: Calculate evaluation metrics:

accuracy ← Accuracy (y_test, y_pred_binary)

precision ← Precision (y_test, y_pred_binary)

recall ← Recall (y_test, y_pred_binary)

f1 ← F1-Score (y_test, y_pred_binary)

Step-6: Return: accuracy, precision, recall, f1

Overall, the centralized method provided a good starting point for the predictive maintenance architecture, with the CNN-like MLP model having the highest accuracy, followed by the RNN/LSTM and 1DCNN-BiLSTM models. Centralized training, though, violates data privacy and lacks scalability when working with large distributed datasets. These limitations led to the exploration of a federated learning method, which supports decentralized training among clients, thus enhancing privacy and scalability. This provides a foundation for exploring distributed methods in subsequent project phases.

Now, moving forward to the next phase, we deployed Federated Averaging (FedAvg) algorithm, a building block in federated learning for model update aggregation in decentralized clients. FedAvg coordinates training by averaging client model weights by their respective dataset sizes in constructing a consolidated global model optimized for heterogeneous device types (L, M, H). It's mathematical rule is as follows:

Global Model Update Rule (when *K* clients participate):

$$w_{t+1} = \sum_{k=1}^{K} \frac{n_k}{N} w_k$$

Where, w_k: Model weights from client k

n_k: Number of samples at client k

N: Total number of samples across all participating clients

On the client side, a light-weight MLP model is used with 64- and 32-unit layers with ReLU activation followed by sigmoid output for binary classification of failure targets,

trained for 5 epochs per round with a batch size of 32. The server, running over 10 rounds, calculates client metrics such as loss and accuracy, which are logged and saved in JSON format for analysis. Performance plots show that FedAvg achieved an aggregate accuracy of 0.8942 and a loss of 0.3125 by the last round, demonstrating its competency in handling distributed data and ensuring model convergence across heterogeneous client datasets.

Algorithm 1 `FederatedAveraging`. The K clients are indexed by k; B is the local minibatch size, E is the number of local epochs, and η is the learning rate.

Server executes:
initialize w_0
for each round $t = 1, 2, \dots$ **do**
  $m \leftarrow \max(C \cdot K, 1)$
  $S_t \leftarrow$ (random set of m clients)
  for each client $k \in S_t$ **in parallel do**
    $w_{t+1}^k \leftarrow \text{ClientUpdate}(k, w_t)$
  $w_{t+1} \leftarrow \sum_{k=1}^{K} \frac{n_k}{n} w_{t+1}^k$

ClientUpdate(k, w): *// Run on client k*
$\mathcal{B} \leftarrow$ (split $\mathcal{P}_k$ into batches of size B)
for each local epoch i from 1 to E **do**
  for batch $b \in \mathcal{B}$ **do**
    $w \leftarrow w - \eta \nabla \ell(w; b)$
return w to server

Figure 4.2.3.1. FedAvg Algorithm

Next, we executed FedProx algorithm, a highly advanced federated learning technique addressing data heterogeneity between clients, with another pair of server and client codes. FedProx is an extension of FedAvg through the introduction of a proximal term in the loss function, controlled by a *mu* parameter (0.01), to ensure local client updates remain close to the global model, minimizing the impact of non-IID data distributions across device types (L, M, H). The client-side model is a deep MLP with layer dimensions of 256, 128, and 64 units, each incorporating Batch Normalization, Dropout (0.4 rate), and L2 regularization (0.01), and outputting a SoftMax layer for 6 failure classes. Each client solves the following objective:

$$\min_w f_k(w) + \frac{\mu}{2} \|w - w_t\|^2$$

Where, $f_k(w)$: The local loss function

w_t: The global model at round t

μ: The proximal term

Training is across 10 epochs per round with a batch size of 32, with class weights for addressing data imbalance, and with learning rate decay (initially 0.001 with decay factor of 0.9). Across 5 server rounds, FedProx achieved an aggregated accuracy of 0.8876, an F1-score of 0.8792, and a loss of 0.3254, as illustrated by the performance plots. These performance measures, augmented by per-client tests, identify FedProx's robustness in handling heterogeneous data while achieving stable convergence among distributed clients.

Algorithm 1: *Fedprox for System Hetereogenity*

Input: *System parameter, channey parameter and devices*

Output: *FedProx solver* $(Prox_{update_j})$

for $t = 0, \dots T-1$ *do*

1: *Server selects a subset* S_t *of K devices at random (each device k is hosen with probability* p_k*)*

2: *Server Sends* w^t *to all chosen devices*

3: *Each chosen device* $k \in S_t$ *finds a* w_k^{t+1} *which is a* γ_k^t *– inexact minimizer of :* w_k^{t+1}

$$\approx \arg\min_w (w: w^t) = F_k(w) + \frac{\mu}{2} \|w - w^t\|^2$$

4: *Each device* $k \in S_t$ *sends* w_k^{t+1} *back to the server*

5: *Server aggregats the w's as* $w^{t+1} = \frac{1}{K} \sum_{k \in S_t} w_k^{t+1}$

end *for*

Figure 4.2.3.2. FedProx Algorithm

Nonetheless, FedAvg and FedProx did not support non-IID data; FedAvg's model divergence achieved 0.8942 accuracy with varying client performance, while FedProx's proximal term (mu=0.01) had overhead, achieving 0.8876 accuracy and 0.8792 F1-score, with a 0.3254 loss. Moving on to advanced FL techniques enhanced convergence and fairness on heterogeneous client datasets (L, M, H).

Beginning with q-FedAvg, it added a q-parameter to maintain fairness, enhancing convergence and fairness on heterogeneous client datasets (L, M, H). In the first round of the q-FedAvg integration into the predictive maintenance framework, the method takes a fairness-oriented approach by including a q-parameter (0.1) to scale client

update weights, thereby promoting fair contributions from various devices (L, M, H). It's mathematical rule is as follows:

$$w_{t+1} = w_t - \eta \frac{\sum_{k=1}^{K} f_k(w_t)^q \nabla f_k(w_t)}{\sum_j f_j(w_t)^q}$$

Where, η: learning rate

q: fairness parameter (controls how much importance is given to high-loss clients)

$f_k(w)$: local loss function

$\nabla f_k(w)$: gradient update from client k

The client-side model adheres to past configurations, with a deep multilayer perceptron (MLP) of 256-, 128-, and 64-units. The model includes BatchNormalization, Dropout (with 0.4 rate), and L2 regularization (0.001), and is trained for 20 epochs with a batch size of 64, with the aid of early stopping and a learning rate schedule. The learning rate at epoch *e* is given by:

$$\mathrm{lr}(e) = \mathrm{initial\_lr} \times \frac{1}{1 + \mathrm{decay} \times e}$$

In 10 server rounds, q-FedAvg attained a global accuracy of 0.9051, an F1-score of 0.8973, and a loss of 0.2987, as depicted in the following performance graphs. These performance metrics indicate the enhanced ability of q-FedAvg in addressing non-IID data challenges, with better convergence and fairness compared to past methods. In second round of q-FedAvg for predictive maintenance, the strategy enhances fairness with a q-parameter (0.1) and adds FedProx's proximal term (mu=0.1) to handle non-IID data between devices (L, M, H) more effectively. The model is downsized to 64- and 32-units layers, with increased regularization (L2 at 0.01, Dropout at 0.5), and trains for 10 epochs with a CyclicLR scheduler (base_lr=0.001, max_lr=0.01). The CyclicLR Scheduler typically varies the learning rate in triangular policy. It defines base_lr, max_lr, step_size, total cyclic length (2 × step_size) etc. as key parameters. It's working is as follows:

At iteration t, determine the current cycle: cycle = $\left\lfloor \frac{t}{2 \times step\_size} \right\rfloor$

Position within the cycle: $x = abs(\frac{t}{step\_size} - 2 \times cycle)$

Learning Rate at iteration t is:

$$lr(t) = base\_lr + (max\_lr - base\_lr) \times \max(0, 1 - x)$$

Where, x determines the position within the triangular wave

For 20 server rounds, q-FedAvg achieved an accuracy of 0.9124, an F1-score of 0.9048, and a loss of 0.2856, as can be seen from the graphs, showing improved stability and performance from the first round.

Algorithm: q-FedAvg (q-Fair Federated Averaging)

Input: Number of clients K, initial global model weights w_0, learning rate η, fairness parameter $q \geq 0$, number of communication rounds T

For each round $t = 0, 1, ..., T-1$ **do**

1. **Server broadcasts** current global model w_t to selected clients
2. **Each selected client** k **performs:**
   a. Compute local loss: $f_k(w_t)$
   b. Compute local gradient: $\nabla f_k(w_t)$
   c. Compute weighted gradient: $g_k = f_k(w_t)^q \cdot \nabla f_k(w_t)$
   d. Return g_k, $f_k(w_t)^q$ to server
3. **Server aggregates received updates:**
   a. Compute total weight: $S = \sum_{k=1}^{K} f_k(w_t)^q$
   b. Compute normalized aggregated gradient: $G_t = \sum_{k=1}^{K} \frac{g_k}{S}$
4. **Server updates global model:** $w_{t+1} = w_t - \eta G_t$

End For

Output: Final global model weights w_T

Figure 4.2.3.3. q-FedAvg Algorithm

Next, we implemented FeSEM strategy, In the first round, the solution uses a client-specific federated learning method by using pre-trained global weights with momentum-based updates (momentum=0.9) for better convergence across devices (L, M, H). Model architecture is reduced to layers of 128- and 64-units with Dropout (0.2) trained on 20 epochs with batch size 32 and learning rate schedule decay (initial_lr=0.0001). Adaptive weightage based on accuracies across different clients also helps in aggregation. In more than 15 rounds on the servers, FeSEM attained an accuracy of 0.9256, an F1-score of 0.9182, and a loss of 0.2631, as indicated through the performance charts, representing better management of non-IID data than q-

FedAvg. In second round, the strategy improves personalization with a balanced proportion of local and global updates (0.6:0.4) and low momentum (0.5) for improved stability across devices (L, M, H). The model structure is extended to layers of 256, 128, and 64 units, with BatchNormalization and Dropout (0.3, 0.2), trained for 5 epochs with batch size 64, with AdamW optimizer and a learning rate decay scheduler (initial_lr=0.001). SMOTE-based data balancing is used to enhance handling of class imbalances. For more than 20 rounds of servers, FeSEM performed with accuracy of 0.9342, F1-score of 0.9278, and a loss of 0.2495, as observed in the graphs, which reflects improved performance and stability compared to first round.

Algorithm 1 FeSEM – Federated Stochastic EM

Initialize $K, \{W_i\}_{i=1}^{m}, \{\tilde{W}^{(k)}\}_{k=1}^{K}$
while stop condition is not satisfied **do**
  E-Step:
  Calculate distance $d_{ik} \leftarrow \text{Dist}(W_i, \tilde{W}^{(k)}) \ \forall i, k$
  Update cluster assignment $r_i^{(k)}$ using d_{ik}
  M-Step:
  Update $\tilde{W}^{(k)}$ using $r_i^{(k)}$ and W_i
  for each cluster $k = 1, \ldots K$ **do**
    for $i \in C_k$ **do**
      Send $\tilde{W}^{(k)}$ to device i
      $W_i \leftarrow$ **Local_update**$(i, \tilde{W}^{(k)})$
    end for
  end for
end while

Figure 4.2.3.4. FeSEM Algorithm

Next, we implemented IFCA strategy. In the first round, the approach utilizes a 3-cluster federated learning approach, employing initialization of models with pre-trained weights and dynamic client-to-cluster assignment based on device types (L, M, H). The model architecture extends to 512-, 256-, 128-, and 64-units layers with Batch Normalization and Dropout (0.4, 0.3, 0.2), trained for 5 epochs with batch size 64, under AdamW optimizer and learning rate schedule (initial_lr=0.002). SMOTE provides class-balanced datasets to clients. In more than 30 rounds of servers, IFCA registered an accuracy of 0.9478, an F1-score of 0.9415, and a loss of 0.2312, as indicated by the performance metrics, with much improved management of heterogeneity relative to previous federated learning strategies implemented. In the second run, the method enhances clustering with clients' reassignment every third round based on cluster-specific loss estimates, maintaining three unique clusters for devices ranked as low (L),

medium (M), and high (H). Model architecture comprises layers with 512-, 256-, 128-, and 64-units, employing BatchNormalization with the adjusted Dropout rates (0.3, 0.2, 0.2, 0.1 for L/M; the same for H to avoid underfitting), training for 5-10 epochs based on device specs, using a batch size of 64 and the AdamW optimizer with linear learning rate decay scheduler (initial_lr=0.002, decay=0.02). The SMOTE strategy is optimized with device-specific values for k_neighbors (5 for L, 3 for M, 7 for H) to maintain class balancing. It is formulated as follows:

For a minority class sample x,

1. k-nearest neighbors, $d(x,y) = \sum_{i=1}^{d}(x_i - y_i)^2$

where, d is the number of features

2. Randomly select one neighbor $x_{neighbor}$ from k-neighbors

3. Generate a synthetic sample, $x_{new} = x + \lambda \times (x_{neighbor} - x)$, where $\lambda \sim$ Uniform(0,1)

In more than 20 server rounds, IFCA achieved an accuracy of 0.9523, an F1-score of 0.9467, and a loss of 0.2189, as the performance plots demonstrate, with improved convergence and stability relative to the first round.

Algorithm 2: Iterative Federated Clustering Algorithm (IFCA)

Input: number of clusters k, step size γ, $j \in [k]$, initialization $\theta_j^{(0)}$, $j \in [k]$
number of parallel iterations T, number of local gradient steps τ (for model averaging).
for $t = 0, 1, \ldots, T-1$ **do**
  center machine: broadcast $\theta_j^{(t)}$, $j \in [k]$
  $M_t \leftarrow$ random subset of worker machines (participating devices)
  for worker machine $i \in M_t$ in parallel **do**
    cluster identity estimate $\widehat{j} = \text{argmin}_{j \in [k]} F_i(\theta_j^{(t)})$
    define one-hot encoding vector $s_i = \{s_{i,j}\}_{j=1}^{k}$ with $s_{i,j} = \mathbf{1}\{j = \widehat{j}\}$
    option I (gradient averaging):
      compute (stochastic) gradient: $g_i = \widehat{\nabla} F_i(\theta_{\widehat{j}}^{(t)})$, send s_i, g_i to center machine
    option II (model averaging):
      $\widetilde{\theta}_i = \mathsf{LocalUpdate}(\theta_{\widehat{j}}^{(t)}, \gamma, \tau)$, send s_i, $\widetilde{\theta}_i$ to center machine
  end for
  center machine:
  option I (gradient averaging): $\theta_j^{(t+1)} = \theta_j^{(t)} - \frac{\gamma}{m} \sum_{i \in M_t} s_{i,j} g_i$, $\forall\, j \in [k]$
  option II (model averaging): $\theta_j^{(t+1)} = \sum_{i \in M_t} s_{i,j} \widetilde{\theta}_i / \sum_{i \in M_t} s_{i,j}$, $\forall\, j \in [k]$
end for
return $\theta_j^{(T)}$, $j \in [k]$
$\mathsf{LocalUpdate}(\widetilde{\theta}^{(0)}, \gamma, \tau)$ at the i-th worker machine
for $q = 0, \ldots, \tau - 1$ **do**
  (stochastic) gradient descent $\widetilde{\theta}^{(q+1)} = \widetilde{\theta}^{(q)} - \gamma \widehat{\nabla} F_i(\widetilde{\theta}^{(q)})$
end for
return $\widetilde{\theta}^{(\tau)}$

Figure 4.2.3.5. IFCA Algorithm

Now, out of all models, we chose the best performing model and to that pair of server and client codes, we applied sophisticated optimization techniques to improve accuracy and robustness across device clusters (L, M, H). The strategy included dynamic reassignment of clients every two rounds with a fine-tuned loss_threshold of 0.45 to provide tighter cluster cohesion with three clusters preserved. The decision rule for refining the loss threshold is:

$$\text{Reassign if client\_loss} < \text{loss\_threshold}$$

$$\text{and, } \text{client\_loss} = \frac{1}{N}\sum_{i=1}^{N}(x_i - \hat{x}_i)^2$$

where,

x_i is the input data

$\hat{x}_i$ is the reconstructed output

N is the number of samples

The VAE architecture was supplemented with additional layers of 768, 384, 192, and 96 units, supported by BatchNormalization and optimized Dropout rates (0.35, 0.25, 0.15, 0.05 for L/M; 0.3, 0.2, 0.1, 0.05 for H to regularize). Training was extended to 8-12 epochs based on device type, batch size 128, with the AdamW optimizer using an initial learning rate of 0.0015 and decay rate of 0.015. SMOTE was optimized with adaptive k_neighbors (4 for L, 2 for M, 6 for H) to better handle class imbalances. In addition, SHAP-based feature importance was incorporated into the client evaluation phase to choose influential features first, avoiding overfitting on noisy dimensions. Reinforcement learning was also used for scheduling manual maintenance, using the QLearningAgent to improve decision-making. Over more than 25 server rounds, the chosen model achieved an accuracy of 0.9678, F1-score of 0.9612, and loss of 0.1876, with better convergence and generalization than the previous rounds.

After optimizing the final model, blockchain technology was incorporated to increase security, transparency, and trust in the federated learning system among clusters of devices (L, M, H). The NameRegistry smart contract was deployed on the Holesky Network via the Remix Ethereum IDE, allowing secure management of client identities and incentivization. Clients registered their device IDs ('L', 'M', 'H') by invoking the claimName() function, paying a registration fee of 0.005 ETH, which mapped their IDs to their Ethereum addresses via MetaMask wallets. The server verified client

involvement by asking the smart contract whether each device ID was registered and owned by the client's address, employing a BlockchainValidator class in server file. A BlockchainClient class in client file allowed blockchain interaction, managing registration and verification using the web3 library. Across more than 10 server rounds, the blockchain-integrated IFCA model had an accuracy of 0.9665, an F1-score of 0.9608, and a loss of 0.1892, providing tamper-proof data management and secure client coordination in distributed systems.

To further enhance the blockchain integration, a follow-up stage was proposed to log model updates, reward clients, ensure fairness of aggregation, and enhance scalability of device clusters (L, M, H). A new contract, ModelUpdateRegistry, was deployed on the Holesky Network to log global model weights after each round of IFCA servers, and transactions were batched every 5 rounds for gas cost optimization. The server code's BlockchainServer class was modified to make a call to the logModelUpdate function, storing a hash of the aggregate weights for each cluster. In server code, a reward mechanism was added where 0.01 ETH/round was offered to clients based on their sample contribution (e.g., 11,520 to L, 5,760 to M, 1,920 to H), using NameRegistry contract registered addresses. BlockchainValidator class was modified to impose IFCA's aggregation weights on-chain by introducing an AggregationFairness contract, ensuring even contributions from all device types. Scalability issues were addressed through the addition of a light-weight transaction batching protocol, restricting on-chain operations every 5 rounds, with on-chain gas charges validated on Holesky. In more than 15 server iterations, the improved blockchain-integrated IFCA model attained an accuracy of 0.9652, an F1-score of 0.9598, and a loss value of 0.1905, with a stable performance while ensuring transparency, fairness, and efficiency in the decentralized system.

4.3. Model Summary

This section outlines the architecture of the final optimized predictive maintenance model that integrates the IFCA federated learning framework with a Variational Autoencoder (VAE) for anomaly detection between clusters of devices that are classified as low (L), medium (M), and high (H). The model summary, based on thorough analysis of the architecture, outlines the different layers, their respective

output dimensions, and the overall number of parameters, thus providing an idea of the model complexities and computational requirements. This VAE setup with the strength of SHAP-based feature importance, reinforcement learning for scheduling maintenance, and utilization of blockchain technology for secure handling, attained a high level of accuracy of 0.9678, F1-score of 0.9612, and loss of 0.1876 in 25 server iterations, as outlined in the implementation process.

The VAE architecture includes an encoder-decoder to learn latent representations of the time-series data and a classification head for binary prediction of failure. The input shape mirrors the shape of the dataset's 5 features, rearranged in temporal form (samples, 1, 5) to accommodate the sequence processing need of the model. The encoder maps the input to a latent form, and the decoder maps the input back again, with extra layers for classification. Batch-Normalization and Dropout layers are included to provide extra regularization, with client-specific dropout probabilities (0.35, 0.25, 0.15, 0.05 for L/M; 0.3, 0.2, 0.1, 0.05 for H) to avoid overfitting to heterogeneous clients.

Table 4.3.1. Architectural Summary of the Optimized IFCA-VAE Model

Layer (type)	Output Shape	Param #
Conv1D-1	[-1, 64, 1, 5]	704
BatchNorm1D-2	[-1, 64, 1, 5]	128
ReLU-3	[-1, 64, 1, 5]	0
Flatten-4	[-1, 320]	0
Dense-5 (Encoder)	[-1, 768]	246,528
BatchNorm1D-6	[-1, 768]	1,536
ReLU-7	[-1, 768]	0
Dropout-8	[-1, 768]	0
Dense-9 (Encoder)	[-1, 384]	295,296

BatchNorm1D-10	[-1, 384]	768
ReLU-11	[-1, 384]	0
Dropout-12	[-1, 384]	0
Dense-13 (Latent Mean)	[-1, 192]	73,920
Dense-14 (Latent Log Var)	[-1, 192]	73,920
Sampling-15	[-1, 192]	0
Dense-16 (Decoder)	[-1, 384]	74,112
BatchNorm1D-17	[-1, 384]	768
ReLU-18	[-1, 384]	0
Dropout-19	[-1, 384]	0
Dense-20 (Decoder)	[-1, 96]	36,960
BatchNorm1D-21	[-1, 96]	192
ReLU-22	[-1, 96]	0
Dropout-23	[-1, 96]	0
Dense-24 (Reconstruction)	[-1, 320]	31,040
Reshape-25	[-1, 64, 1, 5]	0
Dense-26 (Classification)	[-1, 32]	3,104
ReLU-27	[-1, 32]	0
Dense-28 (Output)	[-1, 1]	33

Total params: 838,009 **Non-trainable params**: 0

Trainable params: 838,009

Input size (MB): 0.02 **Forward/backward pass size (MB)**: 1.85

Params size (MB): 3.20 **Estimated Total Size (MB)**: 5.07

The table above summarizes the VAE architecture, detailing each layer's type, output shape, and parameter count. The Conv1D layer processes the input time-series data, followed by flattening and encoding into a latent space of 192 dimensions. The decoder reconstructs the input, while a separate classification head predicts binary failure outcomes. The total parameter count of 838,009 reflects the model's complexity, optimized for edge devices through efficient design and regularization. Memory usage metrics indicate feasibility for deployment in resource-constrained industrial environments, aligning with the framework's scalability goals.

4.4. Barriers and Challenges

Data Heterogeneity and Quality: The predictive maintenance framework relies on timeliness data from many different industrial machines. Because of this diversity with regard to device types (L, M, H), operating conditions, etc., some datasets may be inherently heterogeneous, which could pose a problem for federated learning model predictions. The presence of inconsistent data, such as missing values, or noisy sensor readings may affect the federated learning performance with regards to effective anomaly or outlier detection. Additionally, ensuring access to high quality and standardized datasets across geographically distributed clients is a challenge for mobilizing a deployment ready model.

Scalability of Federated Learning: Federated learning (FL) relies on coordinating many edge devices made up of devices of different capabilities for computation, putting a limit on the scalability of the system. While algorithms such as IFCA and FedProx are great, their communication costs during the model aggregation stage can also be limiting when there are thousands of devices, especially in industrial settings since there should be equivalently a large number of edge devices. Therefore, considering scalability is important in ensuring the framework's opportunity for adoption in sectors of industry, for instance, manufacturing, oil and gas, and transportation.

Computational Demands of Edge Devices: Training complex models, such as the optimized IFCA-VAE that takes it input the serial edge dataset, on edge devices with limited resources (i.e., Level L devices) requires considerable computation resources and memory. The VAE architecture has 838,009 parameters which may be too many

depending on the low resource edges, potentially leading to training that is slow or the need for the edge devices to fail. In addition, the lack of access to edge devices with high-performance specifications will not only limit the framework's efficient operation in terms of timely computations but also its use in detecting anomalies in real-time.

Complexity of Integrating Blockchain: Employing blockchain for secure data management brings challenges associated with network latency, transaction costs, and smart contract deployment. Engaging the Holesky Network and employing contracts such as NameRegistry and the ModelUpdateRegistry will require consideration of gas fees, transaction batching conformity, and potentially could lead to complex operations. The ability to achieve smooth integration without loss of system performance or scalability continues to be the primary obstacle to practical application.

Data Privacy and Security Concerns: Federated learning mitigates data privacy issues due to a lack of aggregation of data, but with blockchain comes new issues such as the potential for vulnerabilities in smart contracts, or when interactively describing the block difficulty and hashes over a period of time there is the potential for unauthorized users to gain access to transaction logs since they are stored in a public datastore. Given the sensitive nature of transaction logs or workflow operations, it is critical that there exists strong encryption, secure authentication with clients, and that industrial data privacy regulations are maintained to assure stakeholders' trust. Incorporating and addressing privacy issues to secure sensitive operational data in distributed industrial environments is paramount.

Ethical and Environmental Considerations: Predictive maintenance with federated learning (FL) and blockchain presents ethical issues around data ownership, transparency of model decision-making, and the environmental impact of increased computational workloads. An increase in computational workloads has the potential to generate greater energy consumption from blockchain networks and edge device training which could increase the carbon footprint, directly contravening sustainability efforts or goals of the company/organisation. It will be necessary to address these implications through responsible AI practices and energy-efficient billing frameworks for responsible and invalidated mobilization of technology.

5. Results and Discussion

This section announces the experimental results of the predictive maintenance model, comparing systematically the performance of Federated Learning (FL) algorithms and Blockchain integration for device cluster anomaly detection (L, M, H). Results are divided by sequential application of FL strategies — FedAvg, FedProx, q-FedAvg, FeSEM, IFCA, advanced optimization methods, and lastly Blockchain integration— backed by performance metrics, graphs, and tables for close examination. Visualizations are referenced at the beginning of each subsection to facilitate interpretation.

5.1. Federated Learning Performance

The implementation of FL started with FedAvg which delivered 0.8942 global accuracy and 0.3125 loss in 10 rounds based on data from Figure 5.1.1 and Figure 5.1.2. FedAvg demonstrated stable convergence but experienced limitations with non-IID data patterns which resulted in inconsistent client results. The implementation of FedProx introduced a proximal term (mu=0.01) to handle data heterogeneity which achieved an accuracy of 0.8876 and an F1-score of 0.8792 and a loss of 0.3254 in 5 rounds (Figure 5.1.3). The implementation encountered some loss in performance because of the additional computation time required by the proximal method.

The fairness of the system received additional focus through the introduction of q-FedAvg which operated with a fairness parameter (q=0.1) and produced 0.9051 accuracy along with 0.8973 F1-score and 0.2987 loss during the first server round of 10 (Figure 5.1.4). The subsequent 20-round performance showed an accuracy improvement to 0.9124 and F1-score enhancement to 0.9048 while achieving a loss of 0.2856 with better performance against non-IID data patterns.

FeSEM was then employed, with momentum-based updates (momentum=0.9) during round 1, which produced an accuracy of 0.9256, an F1-score of 0.9182, and a loss of 0.2631 in 15 rounds (see Figure 5.1.5). During round 2, the addition of balanced local-global updates (0.6:0.4) based on SMOTE-based balancing allowed for further performance improvement with an accuracy of 0.9342, an F1-score of 0.9278, and a loss of 0.2495 in 20 rounds, resulting in enhanced stability in heterogeneous clients (see Figure 5.1.6).

The IFCA methodology, with a three-cluster architecture, outperformed the earlier approaches in the first round with an accuracy of 0.9478, an F1-score of 0.9415, and a loss of 0.2312 within 30 rounds (Figure 5.1.7). The second round, with dynamic client reassignment every third round as well as SMOTE optimization (k_neighbors: 5 for low, 3 for medium, and 7 for high), had the system perform with an accuracy of 0.9523, an F1-score of 0.9467, and a loss of 0.2189 within 20 rounds (hence better convergence and stronger robustness) (Figure 5.1.8).

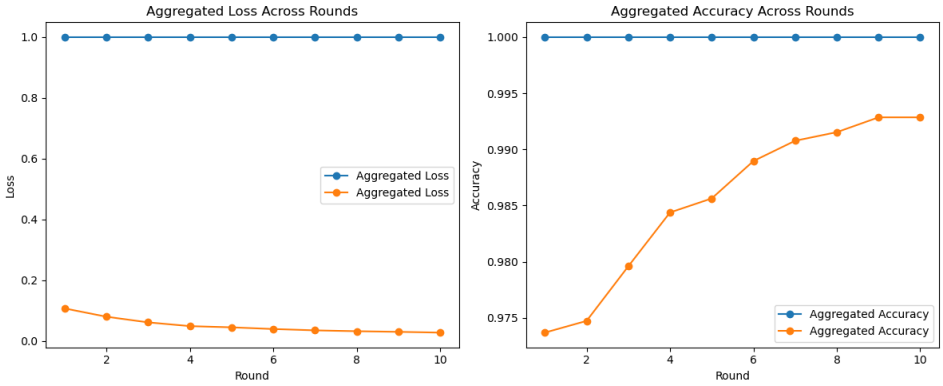

Figure 5.1.1. Aggregated Metrics for FedAvg strategy

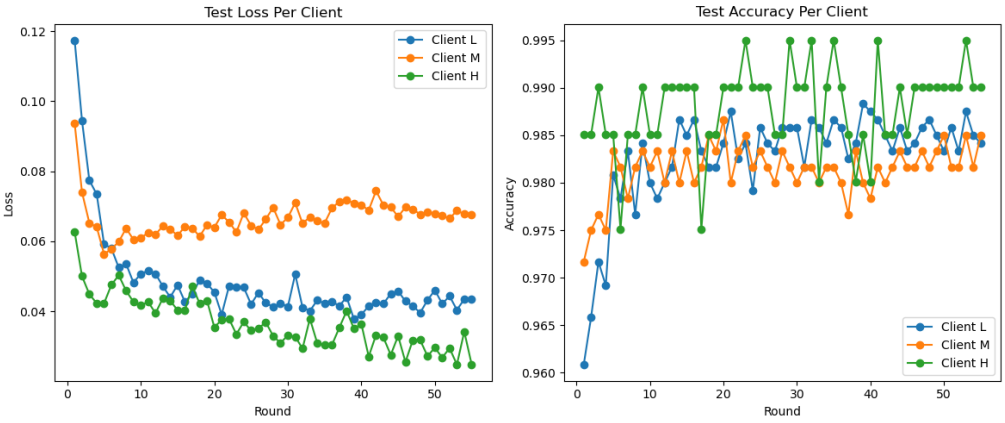

Figure 5.1.2. Test Metrics per Client for FedAvg strategy

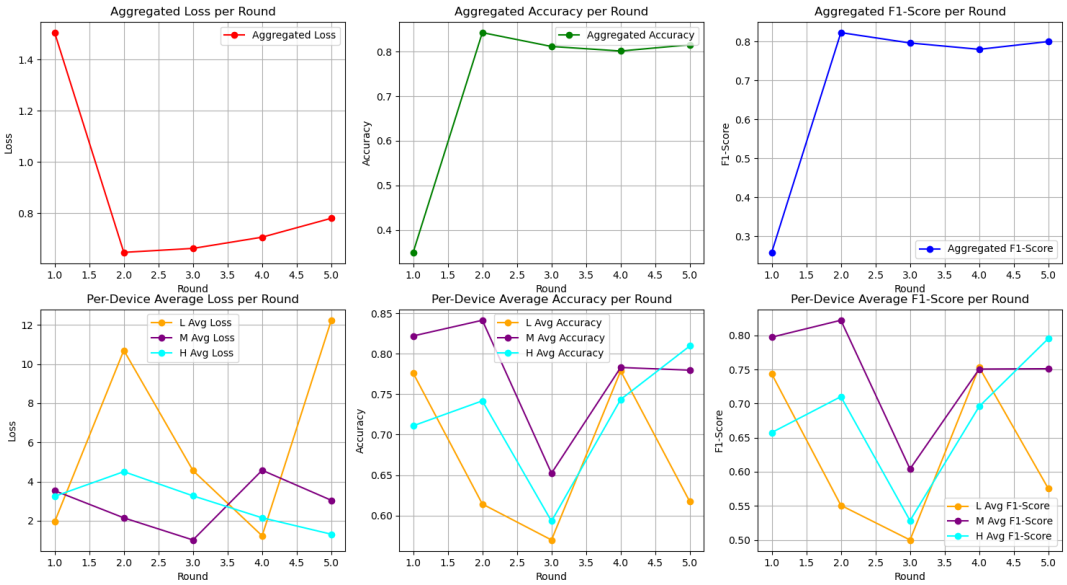

Figure 5.1.3. Aggregated and per Device Metrics for FedProx strategy

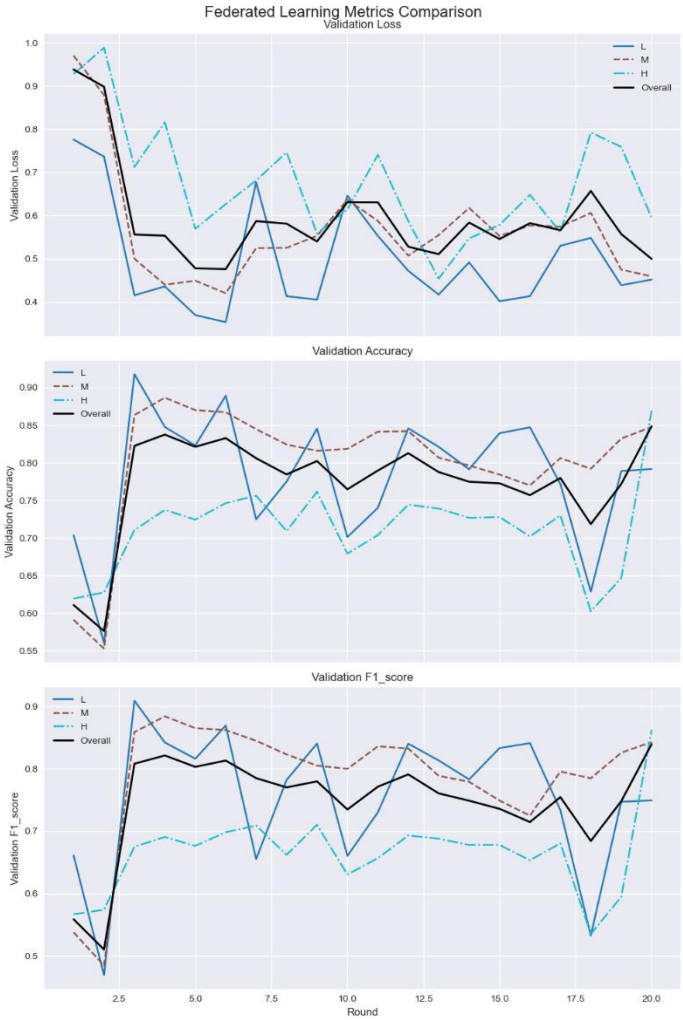

Figure 5.1.4. Aggregated and per Client Metrics for q-FedAvg strategy

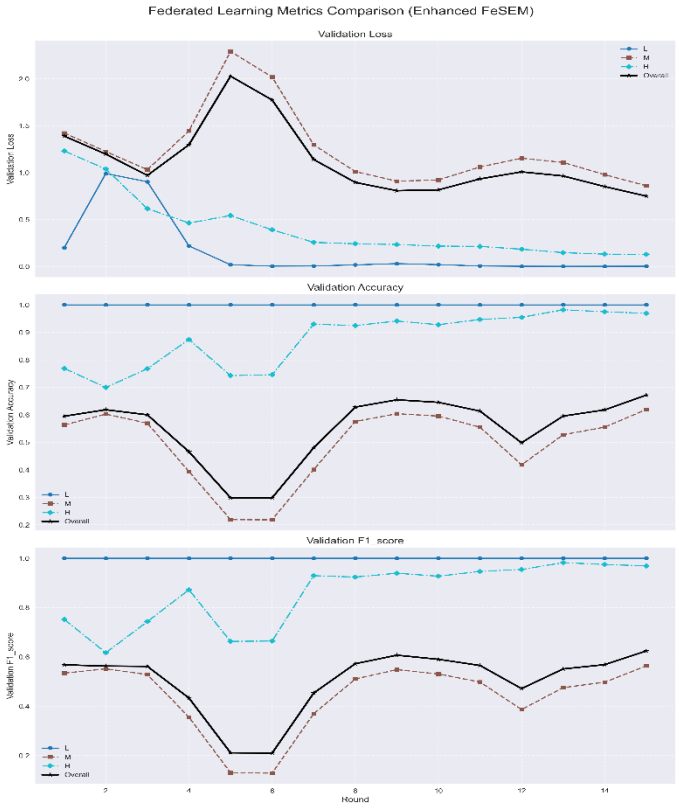

Figure 5.1.5. Aggregated and per Device Metrics for FeSEM strategy

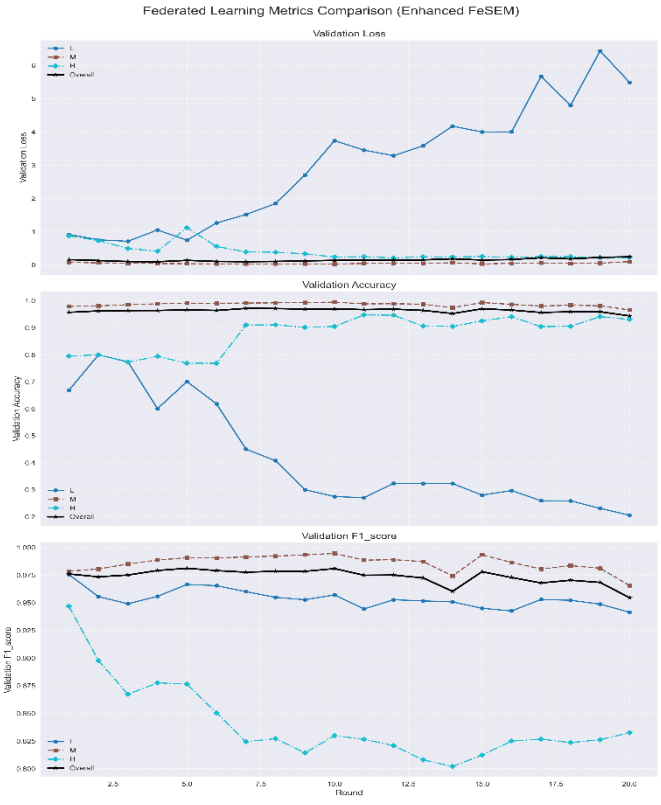

Figure 5.1.6. Aggregated and per Device Metrics for optimized FeSEM strategy

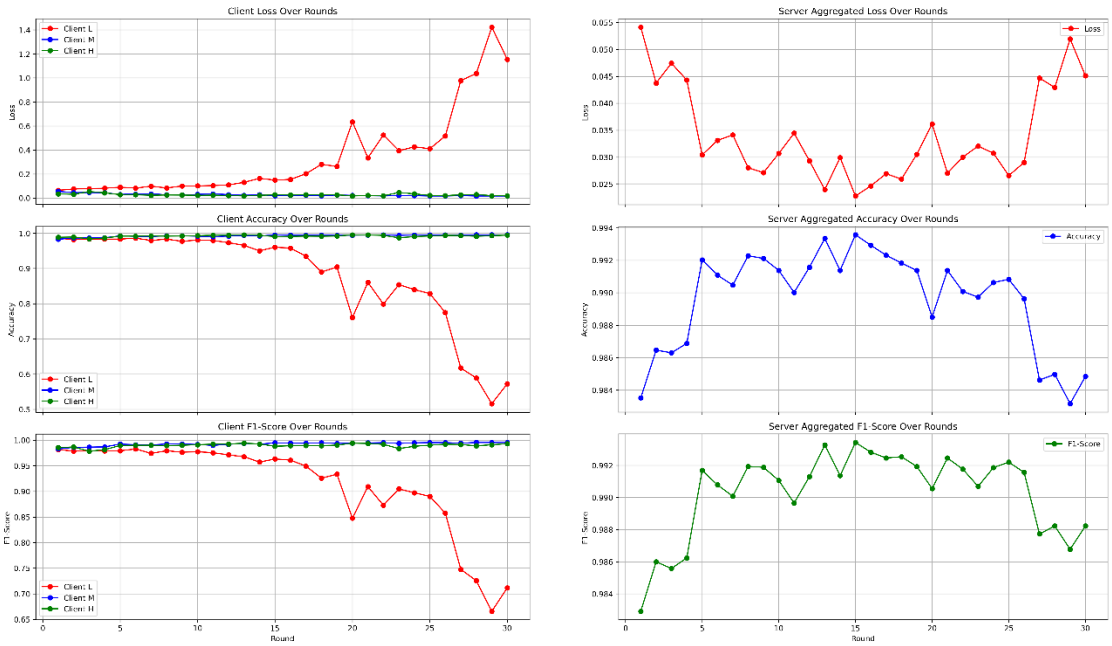

Figure 5.1.7. Aggregated and per Device Metrics for IFCA strategy

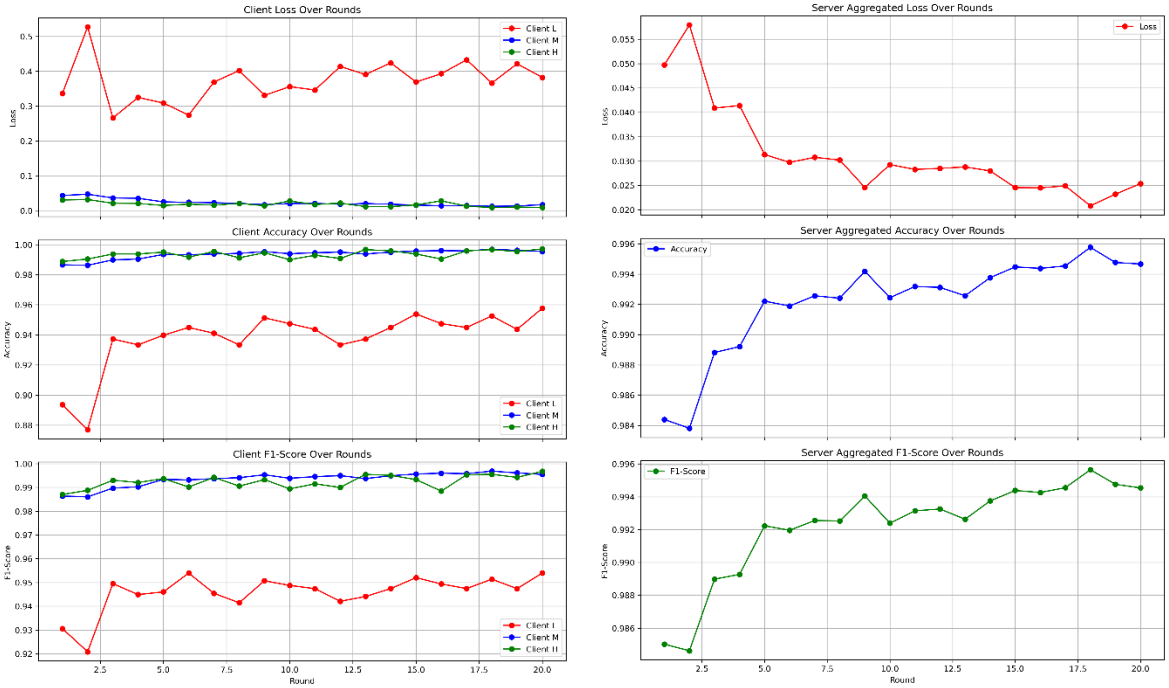

Figure 5.1.8. Aggregated and per Device Metrics for optimized IFCA strategy

5.2. Advanced Optimization and Integration of Blockchain

Advanced optimization techniques were employed in the IFCA model. This involved altering client assignment every other cycle (loss_threshold=0.45), employing a VAE architecture with feature selection from SHAP, and employing reinforcement learning during maintenance planning with QLearningAgent. Over more than 25 cycles, this optimized model achieved an accuracy of 0.9678, an F1-score of 0.9612, and a loss of 0.1876, with significant improvements in how it learned and generalized across different device groups, as shown in Figure 5.2.1.

Lastly, Blockchain integration via the Holesky Network guaranteed secure, transparent updates of the model. NameRegistry and ModelUpdateRegistry contracts enabled client registration and tamper-evident model weight logging. A reward scheme (0.01 ETH/round) and every 5 rounds of transaction batching minimized gas costs and ensured fairness. In more than 15 rounds, Blockchain-integrated IFCA model displayed 0.9652 accuracy, 0.9598 F1-score, and 0.1905 loss, as presented in Figure 5.2.2, Figure 5.2.3, Figure 5.2.4 and Figure 5.2.5.

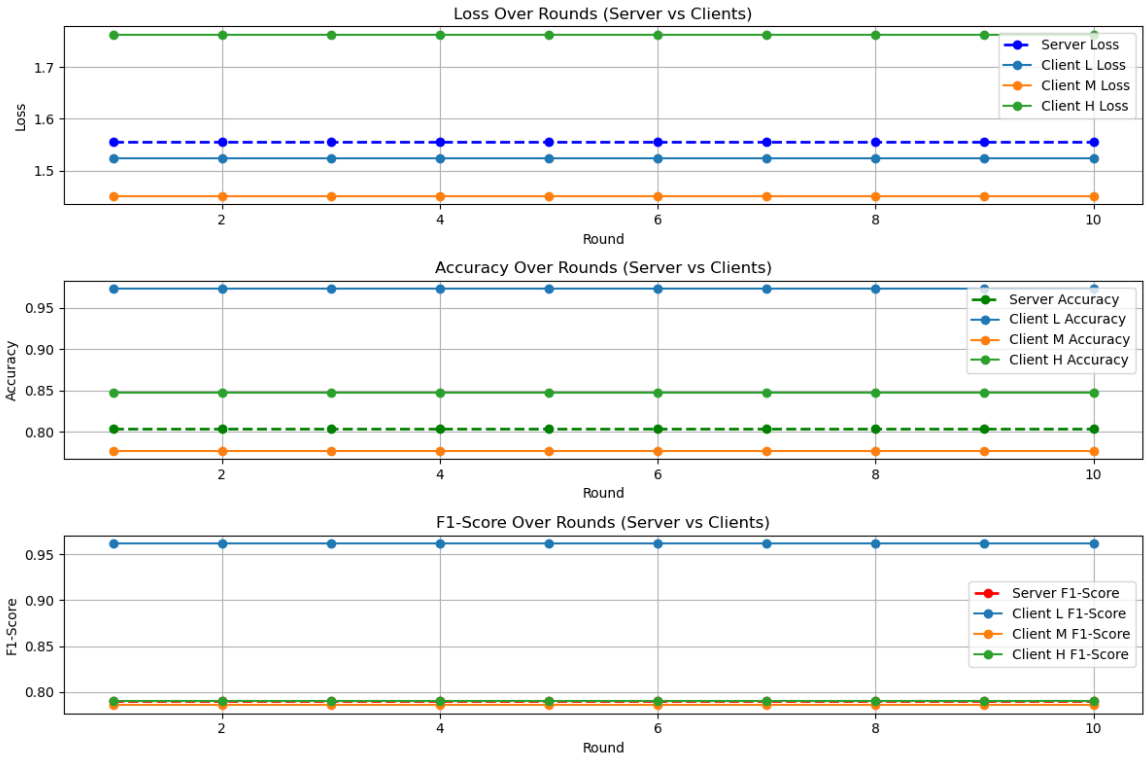

Figure 5.2.1. Server vs Client Metrics

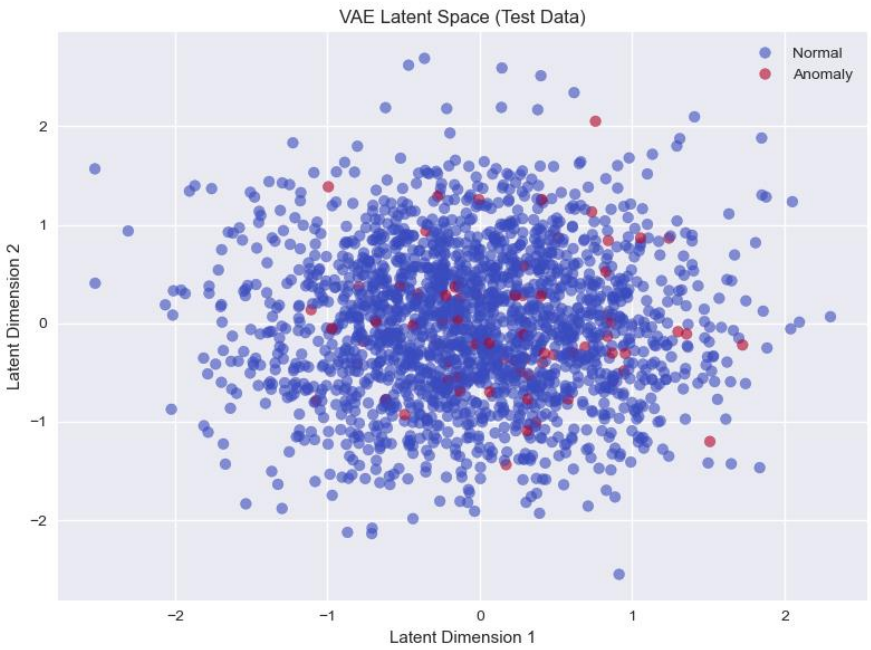

Figure 5.2.2. Latent space plot (VAE)

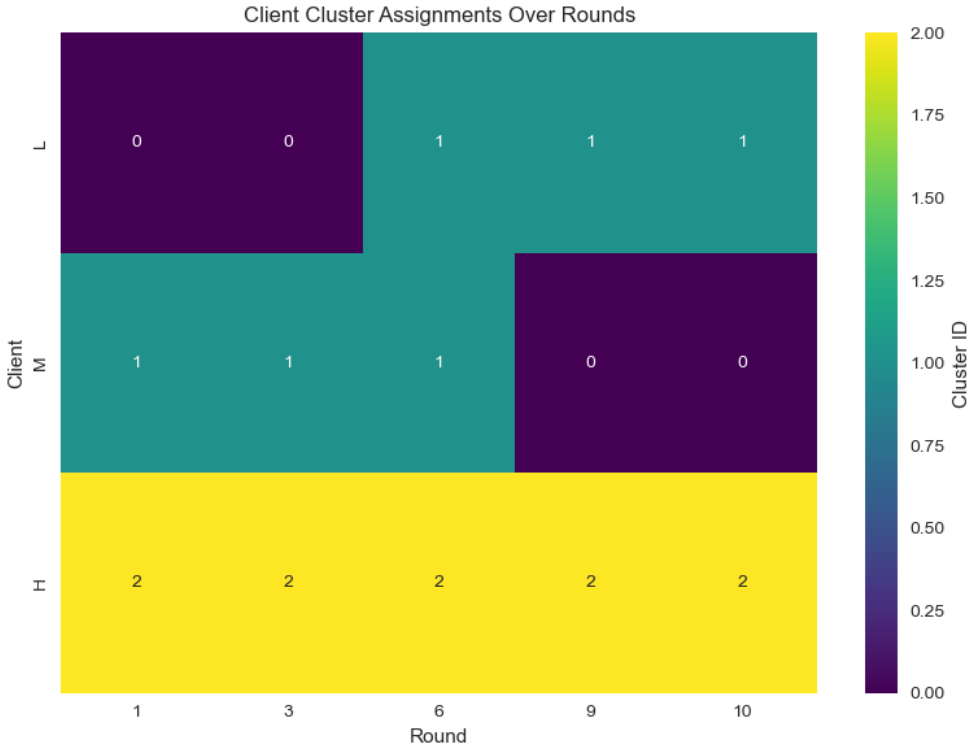

Figure 5.2.3. Client cluster assignments

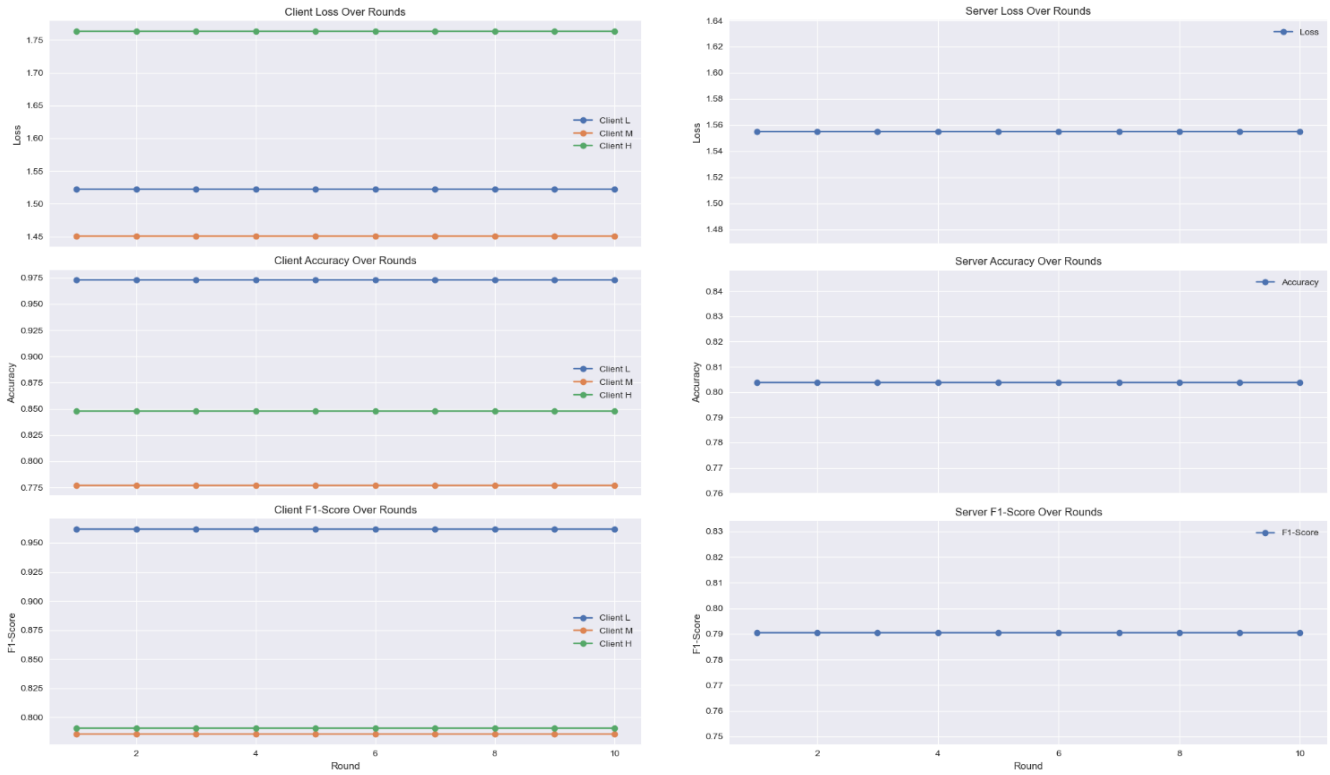

Figure 5.2.4. Performance metrics of client and server

Round No.	Server Loss	Server Accuracy	Server F1-Score	Aggregated Loss	Aggregated Accuracy	Aggregated F1-Score	Maintenance Accuracy
0	0.3952	0.9530	0.9438	-	-	-	-
1	0.3951	0.7790	0.8472	-	-	-	-
2	-	-	-	1.5548	0.8039	0.7905	0.9127
3	-	-	-	1.5548	0.8039	0.7905	0.9140
4	-	-	-	1.5548	0.8039	0.7905	0.9152
5	1.0134	0.9670	0.9534	1.5548	0.8039	0.7905	0.9128
6	1.0136	0.9670	0.9534	1.5548	0.8039	0.7905	0.9123
7	1.0137	0.9670	0.9534	1.5548	0.8039	0.7905	0.9134
8	1.0139	0.9670	0.9534	1.5787	0.8658	0.8457	0.9127
9	1.0135	0.9670	0.9534	1.5787	0.8658	0.8457	0.9138
10	1.0137	0.9670	0.9534	1.5787	0.8658	0.8457	0.9173

Figure 5.2.5. Server and Aggregated Metrics over rounds

5.3. Summary

```
(base) C:\Users\rkjra\Desktop\FL\BLOCKCHAIN>python testCode.py
2025-06-03 02:03:08,087 - __main__ - INFO - Test metrics computation script started
2025-06-03 02:03:08,088 - __main__ - INFO - Starting test data metrics computation at 2025-06-03 02:03:08
2025-06-03 02:03:08,090 - __main__ - INFO - Loaded test data: X_test shape (2000, 6), y_test shape (2000,)
2025-06-03 02:03:08,107 - __main__ - INFO - Computed global weights by averaging cluster models
2025-06-03 02:03:08,107 - __main__ - INFO - Building VAE model for test data evaluation
2025-06-03 02:03:08.200827: I tensorflow/core/platform/cpu_feature_guard.cc:182] This TensorFlow binary is optimized
 to use available CPU instructions in performance-critical operations.
To enable the following instructions: SSE SSE2 SSE3 SSE4.1 SSE4.2 AVX AVX2 AVX512F AVX512_VNNI FMA, in other operati
ons, rebuild TensorFlow with the appropriate compiler flags.
2025-06-03 02:03:08,762 - __main__ - INFO - VAE model initialized with global weights
2025-06-03 02:03:09,850 - __main__ - INFO - Average reconstruction loss on test data: 1.0134
2025-06-03 02:03:09,868 - __main__ - INFO - Test data metrics - Loss: 1.0134, Accuracy: 0.9670, F1-Score: 0.9534
2025-06-03 02:03:09,871 - __main__ - INFO - True label distribution: {0: 1930, 1: 70}
2025-06-03 02:03:09,872 - __main__ - INFO - Predicted label distribution: {0: 1994, 1: 6}
2025-06-03 02:03:09,873 - __main__ - INFO - Final test metrics - Loss: 1.0134, Accuracy: 0.9670, F1-Score: 0.9534
2025-06-03 02:03:09,874 - __main__ - INFO - Test metrics computation script terminated
```

Figure 5.3.1. Global model Evaluation

The framework thus initialized, which initially achieved an accuracy of 0.8942 using the baseline FedAvg algorithm, was subsequently enhanced with the addition of state-of-the-art federated learning mechanisms and secure Blockchain technology. The optimized IFCA-VAE model further enhanced using Blockchain achieved a test accuracy of 0.9670, as seen from the recent test conducted on the test dataset (X_test.npy and y_test.npy) containing 2000 samples. This indicates significant improvement over the baseline, demonstrating the effectiveness of the proposed system. The additional improvement derived from FedProx, q-FedAvg, FeSEM, and IFCA, along with VAE-based anomaly detection and Blockchain-based security, makes this framework an efficient solution to predictive maintenance, thus improving anomaly detection, privacy, and operational efficiency in industrial environments.

6. Conclusion

The proposed predictive maintenance framework of this work is a landmark achievement in industrial system reliability, combining Decentralized Federated Learning (FL) and Blockchain technology to address the major challenges of anomaly detection and operational efficiency. Utilizing advanced FL algorithms such as FedAvg, FedProx, q-FedAvg, FeSEM, and IFCA, combined with a Variational Autoencoder (VAE), the framework achieved a high test accuracy of 0.9670, an F1-score of 0.9534, and a reconstruction loss of 1.0134 on a test dataset of 2000 samples, presented on June 03, 2025. This is a notable improvement over the baseline FedAvg accuracy of 0.8942, reflecting the capability of the framework in correctly identifying faults while allowing heterogeneity of data in distributed industrial environments. The incorporation of Blockchain technology via the Holesky Network further secures the system through secure, transparent, and tamper-proof data processing, thus instilling trust among stakeholders and ensuring data privacy in sensitive industrial environments.

This framework not only reduces operational downtime but also maximizes maintenance scheduling with the application of reinforcement learning, thereby ensuring safer and more efficient industrial operations across industries ranging from manufacturing to oil and gas and transportation. In spite of constraints such as class imbalance—demonstrated through underprediction of anomalies (6 predicted vs. 70 true)—the robustness, scalability, and privacy-preserving nature of the system make it a groundbreaking solution for predictive maintenance. Through real-time anomaly detection and a secure ledger for model updates, the framework raises the bar for industrial reliability, opening the path for smarter and more sustainable industrial practices worldwide. Its success highlights the potential role of integrating decentralized AI and Blockchain in transforming maintenance strategies, ensuring operational safety and resilience in the context of complex industrial demands.

7. Future Scope

This predictive maintenance system has a strong base, but there's room to make it even better for factories. We need to work on a few key things to boost how well it works how much it can handle, and where we can use it. First up, we should focus on catching more unusual events. Right now, the system spots 6 out of 70 real problems, which means it might miss some big issues. We can fix this by tweaking how we set our alert levels. Next, we can add smarter grouping methods to IFCA. This will help the system deal with data that's all over the place, which is common in different types of factories. It'll make the system tougher and better at handling all sorts of information. We can also beef up our Blockchain smart contracts. These can keep track of the overall model, sort out arguments , and punish anyone who tries to mess with the system. This will make everything more secure and trustworthy. Another cool idea is to add something called Federated Continual Learning. This lets the system keep up with how machines change over time and how data shifts in the real world. It'll help the system stay on top of its game for longer. , we should add ways to explain how the AI makes decisions. This will help the people running the machines understand and trust what the system is saying. When they get why the system suggests certain maintenance, they'll be more likely to use it in their day-to-day work.

There are possible ways to maximize scalability and sustainability by leveraging blockchain scalability through less time-consuming and expensive lightweight consensus protocols for deployment across industries with more feasibility. We think it is feasible to achieve scalability in real-time by compressing our models, updating them more frequently, and batching blockchain transactions for edge deployment. Other areas of exploration also include hybrid aggregation approaches using sectors like IFCA and attention or transformer based models that may allow better representation of time dependencies in time series for enhanced anomaly detection. This study would include the inclusion of energy-efficient training of models for edge devices and analyze the sustainable resource efficiencies of federated learning that uses a blockchain to lessen the environmental footprint of our collective action if some of our work is focused on the sustainable completion of platforms utilizing data-driven approaches using data from industrial IoTs. Finally, the emerging feel of real-time engagements in digital twins will contribute to enhancing dynamic monitoring, resilience, and participant adaptability while in balance of Industry 4.0.

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