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10 Hidden Cloud Costs No One Warns You About
(And How to Fix Them)

For Indian SMBs running on AWS

INTRODUCTION

For many Indian SMBs, moving to the cloud starts with a promise. Lower upfront costs. Pay only for what you use. Scale when the business grows.

And for the first few months, it works.

Then the AWS bill starts creeping up.

₹1.5 lakh becomes ₹2.2 lakh.
₹4 lakh quietly turns into ₹6 lakh.
No sudden spike in users. No big new application launch. Just a growing sense that the cloud is nickel-and-diming you.

This isn't bad planning. It's a reality most teams aren't warned about.

According to the **Flexera 2024 State of the Cloud Report, organisations globally waste close to 30% of their cloud spend every year. Gartner estimates that by 2026, 80% of enterprises will overspend on cloud services simply due to lack of cost governance and optimisation**.

Indian SMBs feel this pain even more acutely. Budgets are tighter. Every ₹50,000 matters. And cloud costs don't break suddenly. They leak slowly, month after month, like a tap that never fully closes.

What makes this dangerous is that most of these costs:

- Don't trigger alerts
- Don't impact performance
- Don't show up clearly in dashboards

They hide behind defaults, convenience, and "we'll clean this up later" decisions.

This page breaks down **10 hidden AWS cost traps** that Workmates repeatedly sees across fast-growing Indian SMBs spending anywhere between **₹75,000 and ₹80 lakhs per month** on AWS.

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More importantly, it shows **how these costs can be fixed** with practical actions. Not theory. Not re-architecture. Just disciplined cloud operations.

Teams that address even half of these areas typically see **20–40% reduction in monthly AWS bills within one or two billing cycles**.

Read this carefully. Then decide whether you want to fix this yourself or get expert help. Either way, this is money you don't need to keep losing.

THE 10 HIDDEN CLOUD COSTS NO ONE WARNS YOU ABOUT

1. Idle Resource Vampires

Idle resources are the most common and the most ignored AWS cost drain.

EC2 instances, RDS databases, and load balancers often continue running long after their purpose is over. Flexera data shows that **nearly one-third of cloud resources are underutilised or completely unused**.

Common **Pitfalls**

- Development and test environments running 24×7
- Temporary instances never shut down
- No ownership or expiry tagging
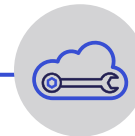
How to **Fix It**

- Identify EC2 instances with consistently low CPU utilisation
- Shut down non-production environments outside business hours
- Enforce mandatory tags like Owner, Environment, and Expiry
- Review idle RDS and cache clusters monthly
- Automate shutdown schedules using AWS-native tools

Estimated savings

15–30% monthly

Workmates insight

Idle resource cleanup is usually the fastest way to unlock immediate savings without touching production workloads.

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2. Data Transfer Charges You Don't See Coming

Most teams budget for compute. Very few budget for data movement.

AWS charges for data transferred between Availability Zones, regions, and to the public internet. In microservices-heavy architectures, this quietly adds up.

Common **Pitfalls**

- Services spread across multiple AZs unnecessarily
- Cross-region data replication left on by default
- Serving static content directly from EC2
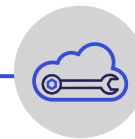
How to **Fix It**

- Review inter-AZ traffic patterns
- Co-locate tightly coupled services where possible
- Use CloudFront for public content delivery
- Replace NAT-based access with VPC endpoints
- Regularly audit data transfer costs in billing reports

Estimated savings

10–25%

Workmates insight

Data transfer is rarely a design-time discussion, but it should be a cost-governance one.

3. S3 Storage That Never Gets Cleaned Up

S3 is perceived as "cheap storage", which makes it easy to forget.

In reality, large volumes of rarely accessed data often sit in expensive storage tiers for years. Flexera reports that **over half of stored cloud data is cold**.

Common **Pitfalls**

- No lifecycle policies
- Logs and backups stored indefinitely
- No separation between hot and cold data
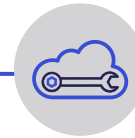
How to **Fix It**

- Enable S3 lifecycle policies
- Move older data to Intelligent-Tiering or Glacier
- Archive logs and backups aggressively
- Periodically delete incomplete uploads
- Review bucket usage every quarter

Estimated savings

20–40% on storage spend
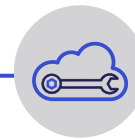
4. Forgotten Snapshots & Old AMIs

Snapshots feel harmless. Until there are hundreds of them.

Volumes get deleted, but snapshots don't. Over time, this creates silent monthly costs.

Common **Pitfalls**

- No snapshot retention policy
- Old AMIs from previous deployments
- Automated backups without expiry rules

How to **Fix It**

- Identify snapshots not linked to active volumes
- Set clear retention windows (7, 30, 90 days)
- Automate snapshot cleanup
- Review AMIs during every major release cycle

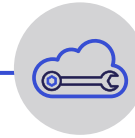## Estimated savings

5–15%

5. NAT Gateway Cost Surprises

NAT Gateways are easy to use and expensive to ignore.

You pay per hour and per GB of data processed. High outbound traffic can push costs up fast.

Common **Pitfalls**

- Multiple NAT Gateways with low utilisation
- S3 and DynamoDB traffic routed via NAT
- No monitoring of NAT data processing

How to **Fix It**

- Use VPC endpoints for AWS services
- Monitor NAT data usage metrics
- Consolidate NAT Gateways where architecture allows
- Review outbound traffic paths

Estimated savings
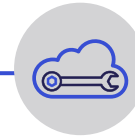
10–35%

6. Logging and Monitoring Sprawl

Logs grow continuously. Bills follow.

CloudWatch logs, VPC Flow Logs, and application logs often run without retention controls.

Common **Pitfalls**

- Debug-level logging in production
- No log expiry policies
- Duplicate logs across tools

How to **Fix It**

- Set log retention limits
- Reduce verbosity in production
- Archive older logs to low-cost storage
- Disable unused log streams

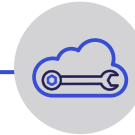## Estimated savings

5–20%

7. Orphaned EBS Volumes

Deleting an EC2 instance does not always delete its storage.

Unattached EBS volumes quietly continue billing every month.

Common **Pitfalls**

- Failed auto-scaling terminations
- Manual instance deletions
- No volume ownership tags

How to **Fix It**

- Identify unattached EBS volumes
- Delete volumes older than a defined threshold
- Enforce tagging policies
- Automate alerts for unused volumes

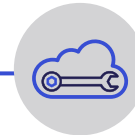## Estimated savings

5–10%

8. Over-Provisioned Databases

Databases are often sized for fear, not reality.

Many RDS and Aurora instances run at a fraction of their capacity.

Common **Pitfalls**

- Large instance sizes "just in case"
- Unused read replicas
- Excess provisioned storage

How to **Fix It**

- Review CPU, memory, and IOPS usage
- Right-size instances based on actual demand
- Remove unnecessary replicas
- Schedule non-production database downtime

Estimated savings
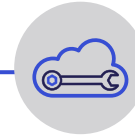
15–40%

9. **Backup Bloat Across Teams**

More backups don't automatically mean more safety.

Multiple teams often back up the same data using different tools.

Common **Pitfalls**

- Overlapping backup solutions
- Excessive retention periods
- Cross-region backups without business justification

How to **Fix It**

- Centralise backup strategy
- Define realistic retention policies
- Eliminate duplicate backup workflows
- Align backups with business RPO and RTO

Estimated savings

10–25%

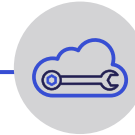## 10. Multi-Region Replication Without a Business Case

Multi-region setups are powerful, but expensive.

Not all workloads need active-active or hot standby architectures.

Common **Pitfalls**

- Replicating non-critical data
- Always-on disaster recovery environments
- No cost review of replication traffic

How to **Fix It**

- Classify workloads by criticality
- Use cold or warm standby where appropriate
- Periodically test and right-size DR setups
- Review regional costs quarterly

Estimated savings

10–30%

QUICK-WIN CHECKLIST FOR AWS COST CONTROL

Use this as a practical starting point:

- ☐ Shut down idle EC2 and RDS instances
- ☐ Schedule non-production environments
- ☐ Review inter-AZ and inter-region data transfer
- ☐ Apply S3 lifecycle policies
- ☐ Clean up snapshots and unused AMIs
- ☐ Optimise NAT Gateway usage
- ☐ Set log retention limits
- ☐ Delete orphaned EBS volumes
- ☐ Right-size databases
- ☐ Rationalise backups and replication

This checklist alone can unlock significant savings within weeks.

CONCLUSION & HOW WORKMATES CAN HELP

Hidden cloud costs are not a sign of poor engineering. They are a side effect of how cloud platforms are designed.

Defaults favour convenience, not cost efficiency. And as teams scale, these small inefficiencies quietly compound.

For Indian SMBs, this often means **₹50,000 to ₹5 lakh per month of avoidable AWS spend**.

Workmates works closely with growing businesses to:

- Audit AWS usage at a granular level
- Identify hidden cost leakages
- Implement optimisation without disrupting operations
- Set up long-term cost governance frameworks

If you recognise your AWS environment in this article, you're not alone. And you don't have to fix it alone either.

» Want to understand where your AWS bill is leaking money?

Get in touch with the Workmates team for a structured AWS cost and optimisation assessment.

We'll help you see what's hidden, fix what matters, and ensure your cloud spend grows only when your business does.