The study aimed at exploring teachers’ and learners’ beliefs about grammar teaching and learning in language institute. The relationship between teachers’ beliefs about teaching grammar and their actual practices in the classroom was another purpose of the study. To this end, two questionnaires were adapted and used to elicit teachers’ and learners’ beliefs about grammar teaching and learning. Thirty five English language teachers and 200 learners of English who were randomly selected from different institutes, were asked to fill out the related questionnaire. However, thirty English language teachers and 187 students returned the questionnaires. Such descriptive statistics as frequency and percentage were utilized to perform data analysis and make comparisons. The qualitative data was also obtained through observation and the observed data were recorded in a checklist and analyzed descriptively. The results revealed that there were some differences between teachers’ and learners’ beliefs regarding error-correction and testing procedures in the classroom. Moreover, slight differences were observed between teachers’ beliefs and their actual performances with regard to the same aspects. Theoretically, the findings of the study extend our knowledge of formal instruction by providing insight on teachers’ practices cognitively. Pedagogically, the results of the study would be useful for both teachers and learners engaged in the process of teaching and learning grammar.