Though IISc was officially established in 1909, the process of setting it up began many years earlier. Back in 1889, its founder Jamsheedji Tata, inspired by the Convocation Address of Bombay University given by Lord Reay, the Governor of Bombay, had decided that he wanted to contribute to higher education in India. Tata had an accidental meeting with Swami Vivekananda aboard a steamer on the way to North America from Japan in September 1893 where he discussed his idea of starting a research university. The encounter was later recounted in a letter Tata wrote to Vivekananda in November 1898.

In 1898, Tata offered to endow his property to contribute towards the expenses of the proposed university. The same year he also set up a Provisional Committee under the leadership of Burjorji Padshah, an educationist, to implement his vision. After extensive consultations, they came up with a preliminary scheme for a university that was tentatively called the Imperial University of India.

On 31 December 1898, a delegation led by Tata met the new Viceroy of India Lord Curzon to discuss the suggestions of the Provisional Committee. Next October, at a conference organised by the Indian Government in Simla, the Government in principle agreed to the idea of setting up the proposed university, which it suggested should be called the Indian University of Research. By then, the Dewan of Mysore State Seshadri Iyer offered land and additional money on behalf of the Durbar for setting up the university in Bangalore. Iyer was the advisor to the Regent Queen Vani Vilasa Sannidhana, who ruled the State on behalf of her son Krishnarajendra Wadaja, then still a minor.

At this point, the Government recommended to the Provisional Committee that a well-known European scientist be invited to give final shape to the project. And for this mission, the committee chose Sir William Ramsay, the famous British chemist. Ramsay submitted a detailed report to the Government of India in early 1901 about the university (he called it the Indian Institute of Research) which he believed should be in Bangalore. The Government, which still had concerns about some of Ramsay’s suggestions, appointed yet another committee comprising Colonel John Cibborn, Principal of Thomason College of Civil Engineering (later renamed IIT Roorkee), and David Orme Masson, a professor from Melbourne University. The committee made several recommendations (most were accepted), and also urged the Government to consider Roorkee as a potential location for the Institute (now referred to as the Indian Institute of Science). But this proposal was deemed impractical as the city received no financial backing.

Tata unfortunately died in May 1904 well before IISc was established. After several delays following his death, the Government finally passed on a vesting order on 27 May 1905, officially creating IISc. It came up in Bangalore on the 371 acres of land gifted by the Mysore Durbar which also provided Rs. 5 lakh towards capital expenditure and Rs. 50,000 annually. Money for the remaining annual expenses came from Tata’s endowment (Rs. 1.25 lakh per year) and the Government (Rs 87500 per year).