The University was established in 1967, on the joint initiative of Pandit Jawaharlal Nehru and His Holiness the Dalai Lama. The objective was to take care of the cultural and educational needs of the youth among the Tibetan diaspora in India, and those of the Himalayan regions of India, who earlier had the opportunity of being educated in Tibet, this came to be discontinued in the wake of the Chinese occupation. But later, the university blossomed into a center of excellence in researches on Tibetology, restoration of texts, and imparting the knowledge of the four Sampradayas of Buddhism in Tibet along with ancient and indigenous Bon religion. The university draws students from Tibetan communities in India, and especially the Himalayan regions, from the north-west to the north-east. Besides, scholars from the western countries visit the university in connection with their academic inquiries and studies. There goes on a programme of annual educational exchange of graduate students from colleges in the USA and Australia. The University combines traditional wisdom with modern educational pedagogy, and courses are offered in a graded fashion leading up to M.Phil and Ph.D. levels.

There is a vibrant publication unit, which has published a good number of important texts, restored and translated from Tibetan sources. There are ongoing projects on encyclopedia, lexicons and editing of rare texts, Sanskrit and Tibetan. The annual publication of a journal, Dhih, carrying the reports of research has been widely acclaimed.

The university library, named after the celebrated author-thinker, Shantaraksita, houses a precious collection of books and manuscripts on a variety of dimensions of the Buddhist lore. The general collection of books on history, culture and philosophy is no less valuable. The library has a wing for audio and video recordings of the important teachings and lectures by celebrated persons. The students avail themselves of the facilities of a modern university. Situated at Sarnath, in the vicinity of Varanasi, the university has an ambience of sanctity, environs beautiful, radiating peace and friendship. It is close to the holy site where the Buddha ages ago had turned wheel of Dharma and Buddhism was born.

The university is residential, and the students can have access to their teachers as and when they may be in need of it. An atmosphere of civility and culture permeates the campus. It enjoys the status of a “Deemed University”, and is fully funded by the Government of India, Ministry of Culture, and has a five star accreditation as an education center.