Allahabad University has always occupied an esteemed place among the universities of India for over a century now. Established on 23rd September 1887, it is the fourth oldest university of India after Calcutta, Bombay and Madras University. The credit for conceiving a large Central College at Allahabad, eventually to develop into a University, is due to Sir William Muir, then Lt. Governor of United Provinces. As a result of his initiative the foundation stone of the Muir Central College (named after him) was laid on Dec. 9 1873 by His Excellency Lord Northbrook. Sir William Muir said on that occasion: "The establishment of a central college at Allahabad has been my earnest desire ever since I assumed my present office. Shortly after coming here I found that a strong wish prevailed among the chief people of the place for a better means of education at Allahabad; and being myself deeply impressed with the same conviction, I took occasion at the first Darbar which I held here to urge upon those present the necessity of showing that they were sincere and in earnest, by contributing to the work. The appeal was widely and liberally met, a considerable sum was subscribed and address was presented to me in 1869, praying for the establishment of the college here." On September 23, 1887 Act XVIII was passed which established the Allahabad University. Like the Universities of Calcutta, Bombay and Madras, the Allahabad University also started as a degree conferring institution. Its first entrance examination was held in March 1889. In 1904 the Indian Universities Act was passed which limited the territorial jurisdiction of Allahabad University to the United Provinces of Agra and Awadh, the Central Provinces including Berar, Ajmer, Mewar and most of the states of Rajputana and Central Indian Agencies. Between 1887 and 1927 at least thirty-eight different institutions and colleges of this area were affiliated to Allahabad University. With the promulgation of the Allahabad University Act in 1921, the Muir Central College lost its independent existence. Between 1922-27 the University had its internal and external wings which were subsequently separated from the University to give the latter a purely unitary, and residential character. In fact the Allahabad University was started with a preliminary loan of Rs. 5240/- from the government to meet its expenses.

The loans were repaid in two years. Henceforth, its main source of its income was from the examination fees and sale of Prospectus & Calendar. Being an examining body it met its incidental expenses easily.