Place eggplant slices on paper towel lined baking sheets.

Sprinkle with salt and let stand 1 hour.

Heat 2 T. oil in skillet. Add onion and cook until tender.

Add garlic, tomatoes, tomato paste and water and cook 10 minutes.

Add fresh basil and simmer sauce 10-20 minutes.

Transfer sauce to a blender and process until smooth.

Heat oil in skillet. Pat eggplant dry and dredge in flour.

Add a few Tablespoons of water to skillet at a time and cook eggplant in batches until softened on each side.

Spoon a small amount of sauce into the bottom of a baking pan.

Top with half of the eggplant.

Season eggplant with salt and pepper. Top with a sprinkling of Parmesan and mozzarella cheeses.

Repeat layers. Sauce - eggplant - cheese.

Bake 45 minutes at 350.